IMTRODUCTION TO ENTREPRENEURSHIP EDUCATION

Introduction

Entrepreneurship is the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses. or

Entrepreneurship can also be taken to mean the capacity or ability of identifying business opportunities from the environment, gathering/organizing the necessary resources and using them to start up an enterprise and organize production of goods and services, and marketing them, covering risks with an aim of making profits.

Social economic origin of entrepreneurship

The emergence of entrepreneurial activity in any place and at any time is determined by a number of socio- economic, psychological and other factors. The different environmental factors such as family background, religious background, education and technical know-how, occupational the background; among others factors do influence the development of entrepreneurship. Formal education for instance, helps one to develop entrepreneurial skills like resourcefulness, initiative and creativity. Structure and economic status of the family are also important because these determine the support which an entrepreneurship gets from his family. Membership of a resourceful family or community facilitates entrepreneurship.

Therefore, improved economic status of the family has a positive impact on entrepreneurs' activities. The financial soundness of the past generation also creates a sense of security and thereby encourages the spread of entrepreneurship activities.

Entrepreneurship education refers to a study that is concerned with providing learning students with basic knowledge and skills of creating and operating their own business or entrepreneurs successfully using the available resources to develop themselves and the country at large

Why we study entrepreneurship education

1. It enables students to learn how to use the available resource in the economy more efficiently.

2. The study helps the youth to develop positive attitude and culture towards work, business, self-employment, creativeness etc.
3. It helps to teach individual skills of starting and running small and medium enterprises and carry on any other commercial business.
4. It helps in equipping young entrepreneurs with knowledge and skills of scanning the environment, identifying relevant business opportunities that can be exploited for the benefit of individual and the society as a whole.
5. It helps to teach entrepreneur skills such as source mobilization, marketing, leadership that are used for growth of business and the economy at large.
6. It helps to instill into the students self-confidence, self-awareness which enables them perceive their needs and make analysis in relation to their future.

Who is an entrepreneur?

Various writers have defined an entrepreneur differently among these include:

I. According to Joseph Schumpeter, an entrepreneur is an innovator, one who uses new innovations to create a new commercial product and to create a new demand for the new product.

II. An entrepreneur is a human agent needed to mobize capital, add value to natural resources (land, water, forest) to produce the necessary goods and services, create employment and develop the means by which trade is carried on.

III. According to Peter Druka (1964) an entrepreneur is one who looks for change, responds and exploits opportunities using innovation as a tool that turns a source into resource.

IV. According to Richard Canitillion (1979) describes an entrepreneur as an enterprising individual who builds capital through risks and initiative innovations.

The role of entrepreneurs in development

In growing economies like Uganda entrepreneurs are contributing greatly to the economic development given the fact that the country is emphasizing the private sector as an engine for growth the roles include:

(i) Creation of employment opportunities, entrepreneurs establish business enterprises that need people to work in the different departments e.g. accountants, managers etc.

(ii) Creation of wealth, this is done through mobilizing capital and turning capital into business provides an accumulative resource base which helps the country to add value to the growth domestic products.

(iii) They provide linkage between sectors i.e. entrepreneurs establish business e.g. industries that use raw materials from the agricultural sector and at the same time, agricultural sector provide market for industrial output.

(iv) They are a source of government tax revenue e.g. they pay income tax, corporate tax, among others which help the country to realize the revenue required for development.

(v) Provision of infrastructures, before any venture is established, there is need for good roads, telecommunication services and utilities etc. these are established by entrepreneurs which help to serve even surrounding communities.

(vi) Promotes Balanced Regional Development**:** Entrepreneurs help to remove regional disparities through setting up of industries in less developed and backward areas. The growth of industries and business in these areas lead to a large number of public benefits like road transport, health, education, entertainment, etc.

(vii) Increasing Gross National Product and Per Capita Income: Entrepreneurs are always on the lookout for opportunities. They explore and exploit opportunities and encourage effective resource mobilization of capital and skill, bring in new products and services and develop markets for growth of the economy which lead to economic growth

(viii) Promotes Country's Export Trade: Entrepreneurs help in promoting a country's export-trade. They produce goods and services on large scale for the purpose of earning huge amount of foreign exchange from export in order to combat the import dues requirement.

(ix) Improvement in the Standard of Living: Entrepreneurs play a key role in increasing the standard of living of the people by adopting latest innovations in the production of wide variety of goods and services in large scale that too at a lower cost. This enables the people to be availed with better quality goods at lower prices which results in the improvement of their standard of living.

(x) Community Development: Economic development doesn't always translate into community development. Community development requires infrastructure for education and training, healthcare, and other public services. For example, there is need for highly educated and skilled workers in a community to attract new businesses. If there are educational institutions, technical training schools and internship opportunities, that will help build the pool of educated and skilled workers.

(xi) Effective Utilization of Resources: Entrepreneurship is all about putting to better use the resources which are considered to be of low value with an aim of earning income. Entrepreneurs come up with ideas of how to use what others may consider waste. This improves the economy of a country through taxes and creation of jobs which improves the standard of living of the beneficiaries

Factors affecting entrepreneurship

Factors which affect entrepreneurship are as discussed below;

1. Economic factors: the economic factors like demand and supply will determine the size of the business to be set up. Besides the health of the economy will also determine the various means of financing the business.

2. Financial factors: the capital required by the entrepreneurs to start a business venture depends on the availability of financial institutions like banks besides other sources of funding and the policies guiding their operations.
3. Legal factors: the processes of starting an enterprise involves fulfillment of various legal requirements. Therefore legal factors play a significant role in as far as the establishment of an enterprise is concerned.
4. Political factors; various government policies prevailing in the society will in one way or another affect the setting up of a business venture. Therefore, an entrepreneur needs to put into consideration the political factors before setting up an enterprise.
5. Institutional factors: the institutional framework both the government and non-governmental affects entrepreneurship activities both directly and indirectly. Institutional factors can be a source of encouragement and guidance to entrepreneurs.

Characteristics of entrepreneurs

Like any other profession, entrepreneurs have certain features which distinguish them from any other individual in the society these include;

1. They set clear goals. Every passionate entrepreneur has clear goals/vision. By setting clear goals it keeps them focused even when things get tough. They set short term, midterm and long term goals which provide rooms for planning of the activities of the days, weeks, months with unmatched focus, knowing exactly what he/she wants to achieve without being derailed along the way.
2. They plan their day in advance; unstoppable entrepreneurs plan their day in advance to avoid wasting time and doing uncoordinated activities e.g. meetings.
3. Entrepreneurs are unique in nature. That is to say they posses certain traits and behaviour which are rare in other people. Traits like discipline, passion and dedication to their business form part of their behaviour which is unmatched.
4. Entrepreneurs take calculated risks. Since every business venture involves risks, a successful entrepreneur undertakes business with moderate calculable and manageable risks to prevent or minimize losses in business.
5. They know their strength and weaknesses; successful entrepreneurs are honest with themselves. They know their own strengths and weaknesses and take them into account with every business decision.
6. They hire a team of players; successful entrepreneurs hire the best employees to work with. They focus on those who fit in whatever gaps that have been identified to create the formidable team that is needed for success.
7. They are constantly learners; successful entrepreneurs know that they don’t know it all. Because of this, they never stop learning. They never get so busy to stop investing in themselves, and the knowledge that benefits their businesses. Keeping up-to-date is very essential if one is to be successful in business.
8. They are always looking for opportunities; successful entrepreneurs do not rest on their current success. They realize that life changes quickly and that business moves at a faster pace. One needs to always be on the lookout for the next opportunity.
9. They evaluate their actions and priorities each day. Successful entrepreneurs know that with every day, they are building their future. When you review your

accomplishment at the end of each day, you will be able to celebrate the success, as well as address the short falls it is a great practice to being with right away.

10. Systematic planning and monitoring**,** this is the ability to develop plans that are reused to monitor and evaluate performance of the business, workers and customers` satisfaction
11. They are accountable, this involve proper book keeping where every shilling received and spent is properly accounted for so as to meet the set profitability standards.
12. They always explore opportunities**;** this is the ability that enables an entrepreneur see and identifies new business opportunities, evaluate them and convert them into achievable goals.
13. They are always committed to their work **–** this is the ability to access financial responsibilities for completing the job for customers i.e. an entrepreneur combines both efforts and workers to get work done within a stated period of time.
14. They are Persistent to work**;** this is the quality which enables entrepreneur to develop determination to do the job well at any cost in terms of personal sacrifice.
15. They always Demand for efficiency and quality**,** this is the ability for an entrepreneur to do things that are more excellent or improving the performance by starving to do things faster, better and cheaply than the competitors.
16. They are Self-confidence**,** this refers to the ability to have a strong belief in one's self and the ability to complete difficult tasks or meet a challenge at what cost.
17. They are innovative, this is the ability of an entrepreneur to target the unknown and do things in a new and better way so as to change the old ideas into new ideas.
18. They are profit oriented, this very clear that the income earned helps them run the affairs of the business and at same time be able payoff expenses such as interest on loans
19. They set their own standards; this is in regard to performance of the business, workers. This ensures that they are able to do things better and faster without wasting resources.
20. They always have the ability to cope with failure; this is because all business ventures contain disappointments and failures as well as successes. They recognize the failures and learn from them

Rewards of being an entrepreneur

1. Self actualization or personal fulfillment
2. Feeling of freedom and independence
3. Providing jobs and benefits to others such as investors, suppliers
4. Creating economic value or product
5. Getting financial security
6. Working with flexible schedules

Costs of being an entrepreneur

1. Working for long hours
2. Stress, this is because of constantly thinking about business
3. Needs more energy
4. Sacrifices other important aspects of life

5. Limited social life
6. Limited time with the family and friends
7. Having more needs for investment than liquid cash to cater for daily expenses
8. Reduce life span, because of too much work
9. Having more responsibilities in society

Is an entrepreneur a manager?
To be able to understand whether an entrepreneur is a manager or not, it is very important if one understands the role, the functions of a manager and that of an entrepreneur.

Who is a manager?
A manager is a person who directs and controls the affairs of the business so as to ensure that the business` set targets are achieved. Therefore a manager may not be an entrepreneur as much as entrepreneurs are managers. Manager carries out the following functions.

FUNCTIONS OF A MANAGER
1. **Planning,** This involves setting of goals and objectives and determining the ways in which they are to be achieved.
2. **Organizing,** This involves the identification of what activities are to be done, grouping of these activities into department and delegating them to particular individuals.
3. **Staffing,** This refers to the process recruiting, training and developing employees who actually carry out the tasks of the business.
4. **Coordination,** Managers always coordinate different activities within an enterprise to ensure that every activity gets the necessary support as required and performed as expected.
5. **Leading,** This involves guiding the employees about procedures and work methods in the enterprise.
6. **Controlling and maintaining,** Ensuring that every activity in an enterprise is done as expected so as to produce desired results as per the time set.
7. **Motivation,** This refers to the process of encouraging employees to give in their best towards the achievements of the desired targets.
8. **Communication,** This involves passing over information from one person to another so as to have a moving organization.
9. **Budgeting,** This refers to the process of accounting for resources received and estimating what is needed in the business at a given period of time.
10. **Evaluation,** This involves making analysis of the performance of the business against the set targets.

FUNCTION OF AN ENTREPRENEUR
The role of an entrepreneur in management includes the following:
1. **Initiating and identifying business opportunities,** This is something of money value that an entrepreneur exploits for the benefit of himself and of the society.

2. **Decision making,** This is the process of choosing between the best alternative among other alternatives available so as to achieve the business set goals and objectives.

3. **Providing leadership,** He/ She direct others with respect to commitment and dedication to the work. This encourages other employees to perform the activities of the business as per the standards.
4. **Information processing,** An entrepreneur as a manager constantly monitors the environment, collects and studies the environment concerning the enterprise and outside environment that may affect the enterprise.
5. **He /She is a network officer,** He /She has to obtain a network of outside contacts through regular communication and cooperation. This helps to assess the competitors` business, social changes, changes in government rule and regulations etc. this is achieved through attending meeting, professional conference, reading journals, internet etc.
6. **He/ She is a role mentor,** an entrepreneur mentors other individuals as he takes on business with a lot of confidence.
7. **He resolves conflicts,** An entrepreneur normally solves differences caused by other business when competing for customers and among employees due to misunderstandings, different behaviours and failure to accomplish a given tasks.
8. **Resource allocation,** An entrepreneur also makes decisions to allocate the business resources e.g. finds equipment, time and machinery to different activities.
9. **Negotiations, she/he** sometimes negotiates contracts with suppliers in terms of prices, with major customer, vendors etc.
10. Therefore an entrepreneur plays both functions.

TYPES OF ENTREPRENEURS

A number of scholars have identified many different types of entrepreneurs. The major ones include;

- Large scale entrepreneurs: These are entrepreneurs who initiate and operate businesses/enterprises on large scale besides possessing the financial ability and necessary skills to initiate and introduce new technical changes.
- Small scale entrepreneurs: These entrepreneurs operate small business and lack necessary talents or skills and resources to initiate large scale production and application of appropriate technological changes.
- Innovative entrepreneurs: These are creative entrepreneurs who introduce new products on markets and new production techniques through assembling and synthesizing the available information and experimenting new combination of the factors of production. Such entrepreneurs always see and exploit opportunities for

introducing something new or new markets. Such entrepreneurs are common in developed countries.

- Initiative or adoptive entrepreneurs: These entrepreneurs instead of innovating changes for themselves, they simply copy and adopt successful innovations from other people/innovators. Such types of entrepreneurs are commonly found in developing countries where they imitiate technology and techniques which have already been created in the developed countries.
- Opportunistic entrepreneurs: These are entrepreneurs who constantly look for profitable business opportunities and exploit as many of them as their resources can allow, using their wide experience, knowledge and skills acquired through education and exposure.
- Visionary entrepreneurs: These are entrepreneurs who constantly look for profitable business opportunities but concentrate on one major and most profitable opportunity using their wide experience, knowledge and skills acquired through education and exposure.
- Craft man entrepreneurs: These are entrepreneurs whose business activities are limited to their narrow experience and knowledge acquired through narrow educational background, experience and exposure. They usually limit their business to a small size which they can manage.
- Fabian entrepreneurs: These are characterized by great caution and skepticism in experimenting change in their enterprises. They initiate only when it becomes perfectly clear that failure to do so would result in a loss of the relative position in the enterprises.
- Private entrepreneur: A private entrepreneur is one who as an individual sets up a business enterprise. He/she is the sole owner of the enterprise and bears the entire risk involved in it.
- State/public entrepreneur: When the business venture is undertaken by the state or government. It is called state entrepreneur.
- Joint entrepreneurs: When the government and private entrepreneurs jointly run a business enterprise, it is called joint entrepreneurs.

profits as a reward to an entrepreneur

An entrepreneur is rewarded by profits or loses to appreciate him or her for having taken the risk.

A profit in business term refers to the difference between the sales and the cost of sales.

Types of profits

(i) **Net profit,** This refers to the net earnings to an entrepreneur after all operating expenses have been met.

(ii) **Normal profits,** These are earnings for an entrepreneur which is just enough to cater for the expenses and not capable of attracting other entrepreneur to join the business or the industry.

THE ROLE OF PROFITS TO AN ENTREPRENEUR

1. It is a source of government tax revenue i.e. entrepreneurs pay taxes such as corporate tax, company tax etc. to government.
2. It is a reward to an entrepreneur for risks and uncertainties i.e. the time taken while waiting for the business activities to yield income.
3. It's used as an indicator for resource allocation i.e. an entrepreneur allocates more resources to activities where he/she drives a lot of profits.
4. They are used by an entrepreneur to expand or improve on the existing enterprise i.e. they are used to purchase items that are needed in the business.
5. It is a source of reward to other factors of production in an enterprise e.g. out of profits an entrepreneur is able to pay wages and salaries pay interest on capital etc.
6. It is used to motivate workers in an enterprise. It is where the entrepreneur drives income to increase workers' salaries, improve their welfare of assistance etc.

ENTREPRENEUR, INTRAPRENEUR AND AN ENTERPRISING PERSON

Intraprenuer

Is a person who focuses on innovations, creativity and transforms a dream or an idea into a profitable venture by operating within the existing organization, an Intraprenuer identifies opportunities within an existing business.

Characteristics of an Intraprenuer

- He works in an existing business.
- He is hired to manage the business.
- He identifies new products or services or opportunities for existing business.
- He is creative and uses his ability to market or produce a product.
- He organizes and controls resources to ensure a profit for the existing business.
- He prefers benefits of an existing business such as a salary and other available resources.

Intrapreneurs are different from entrepreneur because it is the Intrapreneurs who gain experience, knowledge and wisdom by working in a business and hence using, the knowledge acquired to start personal business.

An enterprising person

An enterprising person is someone who takes on imaginative and risky projects. He is ambitious and energetic.

Characteristics of enterprising persons

1. He keeps his eyes open and mind active.
2. He is confident enough to take on any risky venture.
3. He is disciplined enough to seize opportunities that present themselves as being profitable.
4. He has positive attitude in whatever he does.
5. He always sees the future not present.
6. He always finds a way to take advantage of a situation and it is not burdened by it.
7. They are not lazy i.e. they do not wait for opportunities to come to them instead they go after the opportunities.
8. They always find a way to keep themselves actively working towards their goals.

Therefore one needs creativity to see what is out and to shape it to one's advantage and also to look at the world differently and take different approach.

ENTREPRENEURIAL CULTURE

Entrepreneurial culture is defined as a culture that encourages the whole population to take advantage of the abundant opportunities in the environment. Entrepreneurial culture relates to the values the entrepreneur brings into the business. It is a mix of norms, values and beliefs that are shared by both the entrepreneur and employees in a business venture.

Culture is important for an entrepreneurial venture because it is the means by which the values of its founders are institutionalized. In addition, culture serves to socialize new employees, helps them understand how they should treat the customers, how they should treat each other, how they should act in their jobs and how to generally fit in and be successful within the business.

Benefits of entrepreneurial culture

1. It helps to build capacity for living with uncertainty
2. It helps to make individuals get familiarized with business tasks
3. It's a basis for the development of entrepreneurial population
4. Its helps individuals of the society to get managerial skills
5. It provide manpower needed for development of businesses and infrastructure

MAJOR COMPETENCIES REQUIRED FOR SUCCESSFUL ENTREPRENEURSHIP

There are three major competencies for successful entrepreneurship which include:

A body of knowledge,

A set of skills, and

A cluster of traits

A body of knowledge

This is defined as a set or body of information stored which may be recalled at an appropriate time. Knowledge in business may be manifested in information one have on the various aspects of the business e.g. processes business management etc.

Knowledge of business however is not enough for success in setting up and running a business.

A set of skills

A skill is defined as the ability to apply knowledge in business. they can be distinguished into.

(i) **Technical skills** – these include engineering, computer, carpentry, catering etc.

(ii) **Managerial** – these include marketing, time management, financial management, organization, planning, leadership etc.

In many societies, women and men who are directed towards acquiring only some technical and managerial skills which are considered appropriate for their gender, this is why men and women often concentrate on specific business sectors.

TRAITS

Traits are defined as the aggregate of peculiar qualities or characteristics that constitute personal individuality. Traits take time to develop and are not easily changed. Therefore;

- It is more likely that a person who does not have all the three competencies in his or her business will encounter difficulties in operating the venture successfully.
- An individual with only knowledge and skills is unlikely to survive for even if he/she manages to start a business.
- A person with only knowledge and personal traits might find nothing of value to which these skills might be applied to.
- A potential entrepreneur with skills and traits but lacking knowledge might be able to start a business but might not be so competitive.

ENTREPRENEURIAL SKILLS

(a) copying with change

Change is to give a completely different form or appearance to an object. Change in an organization is necessary.

TYPES OF CHANGE

1. **Developmental change**

   This occurs when a company makes an improvement to the current business status.

   Characteristics of developmental change

   - The company improves on its processes, methods or performance standards.
   - Development appears gradually with little stress.
   - Employees acquire new skills in order to manage the developments.
   - It does not mean necessary the company changing its goals but to improve on the processes so as to achieve them.

2. **Transitional change**

   This is a change where processes are dismantled or replaced with new ones. Here a company may merge or create new products or service and take on the implementation of new technology.

   Characteristics of Transitional change

   - The old processes are completely replaced with new ones.
   - There is a significant shift in the behavior of the employees.
   - The company develops new products and services.
   - The company destiny or future is unknown.

- Employee's level of engagement in the new procedures is increased.

3. **Transformational change**
   This is the change that involves both developmental and transitional change. here companies are faced with the emergency of different technologies and a significant change in supply and demand.
   Characteristics of transformational change
   - Top management is prepared to involve employees in transition.
   - There is complete change in the methods of production.
   - There is a complete change in the vision, mission and objectives of the company.
   - Companies are faced with an expectant competition arising from existing companies.
   - Employees look for an ideal situation for placing themselves in a new change i.e. undertaking training.

Importance of change

1. It helps the enterprise to adopt new technology; this increases the ability of the enterprise to increase productivity and growth.
2. It helps the organization to respond to customer's needs, as satisfied customers are able to bring in more income and at the same time it contributes to the growth of an enterprise.
3. It helps employees to get new skills and knowledge i.e. for change to occur employees must adopt it by learning new skills and exploiting new opportunities to exercise creativity in the new way.
4. It determines the direction of the organization. That is to say with increasing demand for products and services; it mean that a company must consider expansion that might involve addition of new staff and new facilities.
5. It is used to change the status quo i.e. change is used to develop new ideas and innovations that directly impact and benefit the enterprise.
6. Change helps the organization to achieve production of new goods and services e.g. the transformational change which leads to complete dismantle of the old processes which are inefficient and replaced with efficient modern method of production.
7. Change is used as a tool to out compete other business e.g. change in the product line, change in the marketing strategies, change in customer care etc.

WHY SOME PEOPLE RESIT CHANGE

It is rare that change is totally accepted by everyone involved partly because of the following:

1. Change benefits some people while it hurts others. That is why people resist it especially when change is seen as damaging in some way.
2. Change sometimes is very expensive i.e. many changes require financial investment in the short run or it may be in the best interest of the few.
3. Some people resist change because they feel they are not capable of handling it, this may be the result of the general lack of self-confidence.
4. Some people resist change because they feel they are not secure, e.g. when a small business seems to be running smoothly, any change may represent a threat of insecurity.

5. Some people take pride of being stubborn and independent; hence they resist change no matter how convincing evidence is in favor of it.
6. Some individuals resist change because they were not consulted before; hence they look at it as being undermining their efforts.
7. It is because some people may lose their status in an organization, e.g. a change that involves merging department may be resisted because some people lose their status as being heads of departments.
8. Some people resist change because they fear taking on new responsibilities, therefore they resist it to satisfy their personal interest.

TECHNIQUES FOR COPYING WITH CHANGE

By keeping reasons for resisting change we can better understand what altitudes can counteract this resistance and help entrepreneurs cope with change more effectively. To do this are four basic decision making techniques that applied to cope up with change.

1. **Understanding the situation:** This is the ability to take analysis for finding out the forces that resist change and situations that can be changed in a way of identifying a problem or situation.
2. **Identifying the problem:** a problem is defined as a need to take some kind of action now that will have one with four different effects i.e.
   (i) Prevent the new market area from being destroyed.
   (ii) Reducing the negative impact of the market area.
   (iii) Taking positive action to directly encounter challenges in new market area.
   (iv) Take the advantage of the new market area.
3. **Finding the alternatives:** This is where the entrepreneur takes more than one action to encounter a problem before the action.
4. **Selecting the alternatives** once all alternative have been tried out the entrepreneur is able to select the best one.

FACTORS THAT INFLUENCE DECISION MAKING

1. **Nature of situation:** The situations that require a decision to be taken affect the kind of decision an entrepreneur can make, e.g. breakdown of machines may require quick a decision in order to meet the customer demand.
2. **Availability of resources:** When resources required to implement decision are already available the process of decision making is easy and faster as opposed to when the resource required are not available.
3. **Environmental factors:** Environment in which the business is located affects any decision to be made e.g. the decision on whether to manufacture plastic will have to be taken after taking into consideration, the impact it will have on the natural environment and the people of the community.
4. **The expected benefits from a decision:** For any decision to be made and implemented benefits are assessed i.e. once more benefits, are expected, quick decision is taken than that lose.
5. **The cost involved:** There are ambitions that require heavy investment before any benefit is realized in such a situation, a decision is delayed.

6. **Time pressure:** When the decision to be taken requires time little time, it is undertaken faster than when the situation is relaxed, a slow and careful pace is undertaken.
7. **The past experience**

CRITICAL CHANGE AREAs:

Due to the changing customers` demand, changing economic situations, and behavior of people following areas, need change:

1. **Capital:** Capital becoming very expensive to obtain overtime by many small businesses.
2. **Raw materials:** This is becoming increasingly expensive and difficult to obtain due to difficulties in transport and misuse of the available raw materials among others; therefore, small firms resort to holding large quantities of raw materials.
3. **Labour:** Labour is abundant to small firms but skills in business management is lacking; hence many firms opting to use capital then labour.
4. **Technology:** every firm is a having a future in technology, however, it is becoming expensive; this is due to changes in taste of customers.
5. **Markets:** markets are based on products which customers demand. Hence there is need to change enterprise`s markets as competition grows stiff.
6. **Government regulations of business activity:** Due to the increasing demand for economic development and self sustenance, officials are struggling to keep the country in the economic process.
7. **Behavior of entrepreneurs,** With the changing demand for goods and services entrepreneurs are struggling to offer quality goods and services with emphasize of professionalism.
8. **Life styles**, consumers` life style is changing towards quality at less cost as many copy the western way of living, forcing entrepreneurs to go western than local.

FACTORS THAT BRING CHANGE

1. **Efficiency:** This is the ability of the business to achieve its objectives within the shortest time possible without losing quality and wasting any other raw materials. A successful manager would therefore develop business methods that are efficient in utilizing the available resources.
2. **Environmental change:** With increasing pollution resulting from industrialization and excessive exploitation of natural resources, managers and academicians are now showing great interest in the area of change.
3. **Social changes:** These are behavioral changes that can be brought about by growth in population which results into change of needs of the community and various development aspects; hence an entrepreneur must make changes that satisfy the growing needs of the society.
4. **Competition:** This includes those businesses that sell similar products or give similar services as well and they compete for the same customers, therefore companies must be considered as competitors because the products produced and put on market are similar and target the same customers.

5. **Change of technology:** Technology is constantly changing the demand of consumers hence businesses need new technological developments to produce new products and services.
6. **Change of Desires:** Entrepreneurs use their altitudes to control conditions hence opposite mental altitude helps to focus on desired activities and events that result into better use of available resources.
7. **Government directives:** Sometime governments issue policy statements which cause entrepreneurs to develop enterprises that meet the identified needs of the economy e.g. government of Uganda directing schools and students take all sciences compulsory.

EFFECTS OF CHANGE ON BUSINESS

In the recent years change has led to radical consequence in all parts of commerce, industry and the public service such as:

1. Increased complexity of methods of production.
2. Job changes leading to many workers to be unemployed.
3. Increased complexity of methods of production.
4. Increases cost of acquiring new skills workers
5. Geographical location of industries and workers increasing the possibility of unemployment.
6. Increased change in inputs, reducing on the profit margin of companies, leading to slow growth.
7. Resulting in stiff competition amongst companies for customers and raw material leading to these that cannot compete favorable to collapse.
8. Increased prices of goods and services that entrepreneurs produce. This is due to the need to acquire quality raw materials at a high cost affecting the profitability.
9. Over dependence on a single supplier for inputs

(b) CREATIVITY

Creativity is the ability to bringing something new into existence like a new idea, new technique of production, new style to meet the identified need of a society .or
Creativity is to the act of turning new and imaginative ideas into reality. It requires passion and commitment and to act out of creative abilities as expressed by somebody`s imagination. It involves developing innovative solutions of the needs or society and marketing them.

IMPORTANCE OF CREATIVITY

1. Creativity helps the entrepreneur to set a platform for competition. This improves the business performance in the market.
2. It helps one to perceive the world in the new order i.e. finding the hidden partners and making connections so as to generate fresh solutions and new products for change.
3. It helps the business to create new products brand. This increases the profitability of the business.
4. It helps managers to design policy that don’t hurt employees. This improves the relationship between the manager and the workers.

5. It increases awareness. This helps to open the entrepreneurs` mind to new thinking.
6. It helps the entrepreneur to solve problem e.g. how to promote products or services, how to make use of the available limited resource.
7. It helps the entrepreneur to sharpen the business ideas. This makes it more attractive and increased the possibilities of developing it into a business opportunity.

Methods or Techniques for developing the creative ability among the employees

To be creative, an individual should;

1. Think beyond the invisible frame work, that surrounds problem or solution.
2. Recognizing assumptions when are being made and challenges them.
3. Spotting narrow minded thinkers and widening the fields of vision to draw on the experiences of other individuals.
4. Developing ideas from more than one source for a situation.
5. Practicing fortune i.e. finding valuable and agreeable things when not practically seeking for them.
6. Transfer knowledge from one field to another.
7. Be prepared to use unpredictable events to one`s advantage.
8. Explore thought processes and key element of the mind of work in analyzing and solving of a fact.
9. Noting down ideas that apparently drop into the mind so that they are not forgotten.
10. Use imaginative thinking to find solution in nature in other organization or services.
11. Trying something new which may be strong.
12. Making connection with points that are apparently relevant or not easily accessible.
13. Suspending judgment to encourage the creative process and avoiding primitive criticism.
14. Knowing when to leave the problem, I .e not until solution have been discovered

Obstacles or barriers to creativity

1. Negative thinking of an individual, Manifested in individuals not to see anything good in whatever is being done.
2. Limited research on the issues that need possible solution, this creates a situation where an individual may take a wrong solution to a problem.
3. Failure / Fear of an entrepreneur or a person, this leads to such an individual to fail to try out something or a number of solutions in order to get the possible solution.
4. Limited finance for financing creative activities, this limit an individual or an entrepreneur to engage in activities such as conducting market research and providing multiple solutions to a problem.
5. Lack of quality time, this makes it hard for one to develop creative ideas and solutions for business use.
6. Applying to much logic to a problem, this slows down creativity as the minds get fixed to one solution.

7. Making assumptions that hinder creativity, such assumptions include assuming that failure of the business is due to which crafts, inherited bad lack from the parents among others.
8. Extreme delays in decision making; this is manifested in concentrating much on past action to address a problem at hand.
9. Poor working conditions, this limits the freedom of workers to think beyond about the problem and providing possible solution.
10. Being strict to following of rules and regulations, this makes a person not to think beyond the problems at hand.

Characteristics of non creative person

1. Not able to think positively about a problem
2. Too busy or stresses to think objectively
3. Very self critical
4. Timid in putting forward a new idea
5. Prone to apply logic as a first and last resort
6. Unable to think laterally
7. Always goes with what others say

CREATIVE PROCESS

This refers to the purposeful, organized risk taking change introduced for the purpose of maximizing economic opportunities. It may take the form of lower prices new or better products or improvement in design. The stages include:

1. ***Idea germination,*** Exactly how an idea is germinated is a mystery; it is not something that can be examined under the microscope. For most entrepreneurs, ideas begin with *interest* in a subject or *curiosity* about finding a solution to a particular problem
2. **Preparation,** This involves all steps of gathering information analyzing it and exploiting possible solutions to the problems.
3. **Incubation,** This is the situation which involve allowing the mind to continue thinking over and over the problem and the possible solutions to the problem.
4. **Illumination,** This refers to a situation of building inspiration of taking actions by having some relaxation of task being handled.
5. **Verification,** This is where the idea is tasted, alternative solutions are provided and possibility of their applicability before picking the most suitable solution.

Individual creativity:

For an individual to be creative needs the following aspects

1. Knowledge: The T-shape mind with a breadth of understanding across multiple disciplines and one or two areas of in-depth expertise.
2. Thinking: a strong ability to generate novel ideas by combining previously disparate elements. The thinking force must be combined with analytical and practical thinking.
3. Personal motivation: the appropriate levels of intrinsic motivation and passion for one's work combined with appropriate team force motivators and self-confidence.
4. Environment: a non-threatening, non-controlling climate conducive to ideal combination and recombination such as 'intersection makes an individual to become creative'.

5. An explicit decision to be creative along with a meta-cognitive awareness of the creative process can go a long way in enhancing long-term creative results.

(c) INNOVATION

Innovation is defined as the process of utilizing creative ability to make or introduce something new or new resources and wealth. Or Innovation is a way of transforming the resources of an enterprise through the creativity of people into new resources and wealth.

Types of Innovation

Every business can benefit from innovation. A variety of innovative approaches are seen as below:

(a) Business Modal Innovation: This involves the way businesses are operated in terms of capturing value e.g. telecommunication companies make changes in delivering their services so as to be able to compete with other firms.

(b) Organizational Innovation: This involves the creation or alteration of business structural practices and models. This includes process, marketing and business innovations.

(c) Process Innovation: This involves the implementation of a new or significantly improved flow of business activities or delivery method.

(d) Product Innovation: This refers to the innovation that involves the introduction of a good or a service that is new and significantly improved. These new changes may include: improvements in the functional characteristics of the product, technical abilities, easy to use of the item among others.

(e) Service Innovation: This involves the introduction of a new service that is improved.

(f) Supply chain innovation: This refers to innovations that occur in the sourcing of input items from the suppliers and the delivery of output products to the customers.

(g) Technological innovation, *this* primarily comprises of research and engineering efforts aimed at developing new products and processes.

(h) Products-market innovation, *this* consists of market research, products design, an innovations in advertising and promotion.

(i) Administrative innovation is concerned with novelty in management systems, control Techniques and organizational structure.

Characteristics of Innovator

1. An innovator has a compiling vision, he/she is able to forecast or see ahead to have changes that may occur or affect the business.
2. An innovator is opportunity oriented i.e. he/she believes that there can be a new way of solving any problem that might affect the business.
3. An innovator is self-disciplined he/she uses self-discipline to achieve results by putting priority of using time well.
4. An innovator is able to identify something new and relates its impact on the social environment.
5. He/ She is surrounded by positive thinkers i.e. people who have positive attitude towards creating something new.

6. An innovator is extra ordinarily persistent; he or she is able to keep going while fighting all obstacles on the way that may try to hinder him or her from creating something new as per the set goals.
7. An innovator is inner directed i.e. he/she has a vision to achieve which motivates him/her to do something it takes to reach the vision.
8. An innovator is a good learner i.e. he/she has the ability to learn faster and better concepts that helps him or her to create something new.

Advantages of innovation

1. It reduces raw material wastage e.g. innovation of new machines that are more efficient.
2. It Assist in packaging and repositioning of products for global distribution e.g. marketing innovation.
3. It helps in distribution of goods and services.
4. It increases the market for the enterprises` products and services e.g. use of internet marketing.
5. It provides a new way Seeking financing, e.g. joint venture partnership in business.
6. Product innovation increases sales and profits of an enterprise, as more customers are attracted
7. It gives an entrepreneur an opportunity to integrate the business for global economy through alliance.
8. Helps to attract new customers to the business. e.g. innovations in promotion and advertising new products
9. It helps a business to achieve efficiency in production, e.g. innovation in techniques of production; this increases output and sales of the enterprise.
10. It helps to improve production of goods and services in an enterprise. e.g. process innovation
11. Operating expenses are minimized
12. It's used as a competitive advantage, provide a basis for firm`s growth
13. Innovative firms develop strong, positive market reputations.

WAYS OF ENCOURAGING INNOVATON IN SMALL BUSINESSES

1. Expecting change at all times: This helps the entrepreneur to always be ready to come up with new things that ensures that businesses cope up with change.
2. Developing innovative strategies: e.g. trying out new technology through research.
3. Implementing new rules: i.e. an entrepreneur needs to learn to go beyond the existing indicators of competition in the business environment by looking for new ways of doing things.
4. Thinking globally: this enables an entrepreneur to look for new market for its products abroad, look for new technology abroad among others.
5. Avoiding barriers that limit innovators: i.e. entrepreneurs need to put in place measures that ensure good internal co-operation among departments to promote good relations with each other and other outside parties so as to create a good environment for innovations.
6. Acting fast to take advantage of any new business opportunity: i.e. by coming up with new things that utilize the identified opportunity.

7. Being always a learner: through listening to other people.
8. Measuring performance indicator: the entrepreneur needs to concentrate on key strategic and profitable indicators by focusing energies on new things that drive the future success of the business.
9. Doing things well for others: for example for customers, suppliers etc. this help small business to stay ahead of competitors.
10. Always thinking like entrepreneur: this helps one to always have ideas and even go ahead to improve on them in case of failure to start.

WHY SMALL ENTERPRISES ARE ABLE TO TAKE ON INNOVATIONS THAN BIGGER ENTERPRISES

Innovation means to make something new, or to do things in a new order. Small businesses are therefore able to adopt innovations than bigger businesses because of the following:

1. Most small business owners are willing to try new approaches to make their businesses more successful than bigger ones.
2. Small businesses understand customer's need, hence they are able to identify new opportunities and fix problems quickly and efficiently than bigger enterprises.
3. Small businesses can quickly implement new business practices and adapt to changing market conditions than bigger business that take procedures.
4. Many small business experiment every idea and they accept new innovations.
5. Small businesses strongly rely on social networks to share information needed for innovative thinking. e.g. friends relatives etc

Sources of innovations

Innovation is occasionally the result of a stroke of genius. It often occurs in response to a problem or opportunity that arise either inside or outside of an organization. Management expert Peter Ducker (1909) has identified three external impetuses internal prompts include an expected occurrence incognitos, process needs and industry or market change.

Internal forces

Unexpected occurrence included mishaps, such as a failed product introduction. It is often through such unexpected failures or success that new information brought to light. For instance folds failed Edsel gave the company new information about marketing that allowed it to achieve Stella, gains with succeeding products. Unexpected occurrence can also take the form of accident, for example, the hugely successful Natural sweet artificial sweetener was created by an accident during a project completely unrelated to sweeteners.

Incongruities result from difference in a company's or industry perception and reality e.g. although the demand for steel continued to grow between1950-1970, profits in the steel industry fell. This caused some innovators to develop the steel mill a less expensive method of making steel that was also more conducive to changing market demands.

Innovators inspired by process needs are those created to support other products or process for example advertising was introduced to make mass produced newspapers

possible. Newspaper publishers' devised advertisements to cover the expense of printing the newspaper on the new printing equipment they are acquired.

External forces

External impetuses use to innovate include demographic changes Shifts in perception and new knowledge.

Demographic changes affect all aspects of business for instance an influx of Asian and Mexican immigrants into the United States has crushed a new market riches for companies like wise an increase in the level and education in Uganda has resulted in qualified workers going for some low paying job.

Change in perception also open the door to innovation example despite the fact that health care in Uganda has continually becoming better and more accessible, people have become increasingly concerned about their health and need for better and more accessible care.

This change in perception has generated a huge market for health magazine, vitamin supplements and exercise equipment.

Finally one of the strongest external impetuses for innovation is new knowledge or emerging innovative companies can make profit by exploiting Its new application and markets for example the innovations ranging from improved cars and bullet proof vests.

ENTREPRENEURSHIP AS A CAREER OPTION

A career is a job of profession that someone does for a long period of time in his life for survival which enables him to achieve his objective. E.g. Accountant, Cashier, Driver, Journalist, Midwife,

Choice of career

Choice of a career is very important to every person it requires serious consideration. Choice of career determines what will one eventually become in future, what we do, how much we earn and out life style. Teachers and parents help us to choose our career.

Factors that influence choice of a person's career

1. Parent, some parents are encouraging their children to do certain job and leave out others indirectly because children spend more time with their parents. A person who is a medical doctor tends to help his child to do Biology by assisting in Biology.
2. Peer- Pressure, Friends can influence a person's choice of career. This is because some people always what to fit in their peer groups so they end up opting for the same career as their peers.
3. Schools and institutions attended, Different schools and institutions influence choice career of students that go through them either through the subjects, they emphasize.
4. Academic performance, Student tends to choose careers based on how they perform academically in certain subjects. In fact most people just select careers based on the subjects they have done well.
5. Role model and mentor, Different people have certain people they admire and want to emulate. They end up taking their career.
6. Physical and mental ability, some careers require some minimum level of physical fitness and therefore only those who are mentally capable can select that career. For example, disabled person cannot easily become a soldier or blind person becoming a driver.

7. Personal Interests, A person may choose a career based on his or her interest. People therefore take up careers in fields they enjoy most.
8. Financial expectations, that is to say when one observes that people in certain careers are very rich, they tend to prefer such careers expecting to earn highly.
9. Government policy, Government may also influence the careers that people take e.g. when government gives scholarships to students doing particular course.
10. Talents and natural abilities, Most people choose careers based on their talents and abilities musicians arthritics.

Career options

One can decide whether to in paid employment or self employed

Paid employment

This is where someone takes up a job in which he/she is paid a uniform wage or salary either on a daily, weekly or monthly basis for a specific assignment given by the employer for a specified period of time.

ADVANTAGES OF PAID EMPLOYMENT

1. Steady Income**,** A paid employee is assured of a regular payment at the end of a specified period of time.
2. One is given a specific responsibility to performance, e.g. the work of a cook in a school is to prepare meals for students while the teacher to teach.
3. A worker is at times given fringe benefits like transport, sick leave, accommodation, meals at the work place. This reduces personal home expenses and improves his living standards.
4. There is minimal fluctuation in the employee earnings; this is because employees are assured of their pay at all times, regardless of the work done.
5. There is reduced fatigue of the employees; this is because employees work for fixed and favorable hours.
6. Employee skills is improved, this is because trainings and workshops are always organized to improve the workers` efficiency.
7. It is easy for government to collect taxes from paid employees e.g. NSSF, PAYE.
8. Employees are guided by rules and guidelines, this minimizes risks and the work station is under control of the owner.

DISADVANTAGES OF PAID EMPLOYMENT

1. There is a tendency for employees following strict rules and regulations or strict orders. This reduces their creativity.
2. There is a fixed rate of pay which can hardly be increased even if output increases. This may affect living conditions during inflation times
3. Responsibilities of a worker are fixed. This limits a worker from acquiring other skills.
4. There is limited room for initiating new ideas by employees. This because workers follow strict instructions
5. Workers may be dismissed due to poor performance or due to the bias of the employer.
6. In case some employees are absent, work comes to a standstill since everyone concentrates on his/her work.

SELF EMPLOYMENT

This is where an individual starts his or her own income generating activity and gets employment in it.

ADVANTAGES

1. The income one earns is potentially unlimited, since it can be increased in case of increase in profits/output.
2. There is no interference from anyone, since the owner has freedom to do what he/she assumes correct for the success of the venture.
3. It promotes work hard; this is because of the urge to make the business succeed.
4. The work station is entirely under the control of the owner, as there is nobody to take care apart from the owner.
5. The owner helps others with entrepreneurial skills; this is by way of guiding them towards starting their own businesses.
6. One becomes boss, directs instead of being directed.
7. It Promotes self-esteem and confidence, this is because there is no possibility of dismissal.
8. There is room for creativity and personal initiative towards development of the business.
9. It promote financial independence, this is because the owner earners unlimited incomes
10. Promotes independence in decision making, since there is nobody to consult and most activities are supervised by the owner.

Disadvantages of self-employment

1. The owner sacrifices personal freedom, this is because the venture requires strict supervision.
2. In case of business failure, huge losses are incurred.

ENTREPRENEUR MOTIVATION

Entrepreneurial motivation is a strong desire impulse, determination and drive of individuals to accomplish a particular goal in business. Entrepreneur motivation sometimes results from the desire to accomplish some physiological needs of recognition, responsibilities, esteem and participation. Or

Entrepreneurial motivation is the process that activates and induces (motivates) the entrepreneur to exert higher level of efforts for the achievement of his/her entrepreneurial goals.

Entrepreneurial motivation can also be taken to mean the forces or drive within an entrepreneur that affects the directions, intensity and perseverance of his/her voluntary behaviour as entrepreneur.

In this regard, a motivated entrepreneur will have the urge to exert a particular level of effort (intensity) for a certain period of time (perseverance) towards realizing a certain goal (direction).

Entrepreneurial motivating factors

A number of factors motivate entrepreneurial activities and these have been categorized into two –the internal and external factors.

Internal factors

1. Desire to do something new through creativity and innovation. Successful entrepreneurs are creative thinkers. So coming up with new ideas, new products or production techniques would well serve their purpose.
2. Need to become independent; entrepreneurs always enjoy the opportunity of being self-reliant and dependent as this attracts social respect and recognition besides ensuring job security and independence in decision making.
3. Achieve what one wants in life; successful entrepreneurs are driven by the desire to achieve their dreams. They are visionary and focused to realizing their dreams no matter what.
4. Be recognized for one's contribution; Entrepreneurs are always highly respected and socially recognized because of the goods and services they provide to society besides employment creation.
5. One's educational background especially when such entrepreneurial skills of creativity and innovativeness, risk taking, leadership and decision making are involved.
6. One's occupational background and experience in the relevant fields like in business management.

External factors

1. Availability of government assistance and support in form of favorable investment climate like tax holidays, giving of subsidies, provision of free land for the business enterprise etc can motive entrepreneurs.
2. The presence of cheap abundant labour force and raw materials.
3. The promising demand/large market for the product or service.
4. Encouragement from the already existing and expanding businesses.

Classical concepts of entrepreneur motivation

This refers to the altitude which strongly influenced by and they cannot be really accounted.

Power motives

Is the ability to acquire others to behave in a way that suits others e.g. an infant a great deal of power.

Competence motive

This is the interest in getting to know what the world is like to be able to make things happen to create even rather than merely waiting for the possible e.g. in adults the competence motive is a desire for job mostly and professional endurance for affiliation motives.

Affiliation motives

This is a desire to be with other people regardless of whether nothing that the country has against people seeks to gain some kind of interpersonal reward which others met out such as money favour.

Entrepreneur is action oriented highly motivated individuals who take risks to achieve goals that are referred to as being achievements motivate. They assume responsibilities for work; therefore the government motivates them in achievement motivated. They assume responsibility for work therefore government motivate them in achieving their goals through;

1. Providing good infrastructures.
2. A providing conducive environment that facilitate entrepreneurial activities.
3. Reliable utility supply such as water.
4. Recognition of the utility.
5. Providing investable
6. Putting of laws that protect them.

Achievement Motivation

This is the intensive urge to excel and do something unique.

The people with strong need to achieve have an intensive desire for success. They want to be challenged so they set moderately difficult but not impossible goes for themselves take realistic **risks** and prefer to assume personal responsibility to get the job done.

Characteristics of achievement motivation

1. Formulating of a concert goal to be achieved. Goals that are formulated is in such a way that stretches one's ability and efforts.
2. Goals set are not impossible or too difficult but are not too easy to be achieved.
3. Develop a strong internal commitment or involvement with a goal.
4. Taking personal responsibility for the outcome.
5. Analyzing the environment to create opportunities for achievement rather than passively waiting for chances to come one way. That is one is able to see possibilities and opportunities in addition to the problem.
6. Experimenting with novels activity to reach the goal. This is through anticipating possibilities of success rather than failure and doing something about obstancles which can cause failure.
7. Seeking help from experts rather than from friends i.e. overcome both external blocks and internal or personal limitation.
8. Delivering maximum satisfaction from achievement i.e. self and less from other factors like recognition and money.
9. Experiencing positive feelings of joy and satisfaction in achieving moderately challenging goals and disappointment but not self-condemnation in failure.
10. Learning from feedback through analyzing whether the right methods were employed or changes should be carried out.

Benefits of Motivation (advantages of achievement motivation)

An entrepreneur who has a high level of achievement motivation has a greater chance of success it has the following advantages:

1. Increasing self-confidence of a person, who has achieved success, hence is able to set more challenging goals.
2. Producing high performance or results i.e. person who has obtained success use the same experience to deal with any future challenge.
3. It enables the entrepreneur to use of environment profitably, and plan how to attain more success.
4. Motivates entrepreneurs to take carefully calculate risks; this reduces wastage and produce high chances of success.
5. It creates much interest into the person to develop concrete measures of how he/she is performing.
6. It leads to better utilization of the available resources in order to achieve greater success.

Challenges of Motivation

Achievement motivation is an urge to excel, to compete and does something unique that it must be associated with constant pressure and stress which may lead to high anxiety regarding performance resulting in fear or failure hence the challenges include:

1. Setting goals that are too low to ensure success.
2. It is associated with constant pressure and stress; this is because achievement motivation argues a person to do something unique.
3. It leads to high level of fear for failure which in most cases makes one not even to do anything.
4. Setting goals that are too high which might fail i.e. some entrepreneurs have the urge to excel or to set goals that are not easily achievable.
5. Thinking of weakness and problems in the environment only i.e. one does not think of the available strength and opportunity.
6. The challenges of obtaining the right input to work with to ensure success.

Factors which hinder entrepreneur motivation

Entrepreneurial motivation can be developed and it can be blocked by certain social, political and economic cultural circumstances. Hence entrepreneur achievement can be hindered by the following factors:

1. The conservative nature of the society: The society which does not encourage entrepreneurial spirit and argue to excel among individuals hinders entrepreneur motivation.
2. Negative social cultural believes in the society**:** Some beliefs hinder entrepreneur motivation e.g. certain jobs can best be performed by female and others are fit for male, that making profit in Islam is bad.
3. Unfavorable political system**:** This discourages individual's private ownership of property and this limits creativity of an individual hence entrepreneurial motivation is affected e.g. at times government policy discourages individual's initiative.
4. Unfavorable economic environment**:** this is described in terms of policy, unregulated lending activities which may be rigid and hence discouraging entrepreneurial motivation.
5. Psychological factors: Like orientation, insecurity etc. this limits entrepreneurial motivation.
6. Inadequate provision of physical infrastructure e.g. unreliable supply of power, poor state of infrastructures, inadequate water supply among others this limits entrepreneurial motivation
7. Poor educational orientation**,** limited entrepreneurial experience and market opportunities
8. Limited entrepreneurs.

Characteristics associated with strong need for achievement.

Successful entrepreneurs have a positive mental altitude which motivates them to focus on desired activities, events and results they hope to achieve. Motivation comes from having a positive altitude. Entrepreneurs learn from every experience they have. The following factors helped the potential to develop a positive altitude:

1. Making each experience a learning opportunity, that is to say whatever takes place one need to learn from it.

2. Getting involved in positive activities, which are productive and developmental in nature.
3. Setting work objectives to be achieved, this is through setting realistic and achievable objectives which help one to have a strong need for achievements.
4. 4Networking with successful entrepreneurs, this helps to acquire their thinking mannerisms.
5. Having a positive mental attitude
6. Identifying successful entrepreneurs to be used role models and mentors. This helps one to get guidance, learn from them and follow their footsteps to achieve to achieve personal goals.
7. Avoiding negative thoughts and ideas.
8. Taking advantage of opportunity to improve on your situation.eg personal life, work life or life in the community
9. Having faith in whatever being done
10. Being result oriented, e.g. ensuring that any task assigned to you is done as expected to cause result

Ways of developing entrepreneurial habits

1. Starting work earlier than any individual
2. Changing personal habits that may affect an individual
3. Planning day`s activities before going to sleep
4. Making daily practice of an activity for same time in order to gain experience
5. Reviewing current habits in relation to the future goals and discussing them with an individual that might change the current status.

RISK TAKING

Risk is the possibility of suffering harm, loss or danger.
Business risk refers to the factors that may have a negative impact on the profitability or success of a company. It can stem from external factors that a business may have little control over or issues within the company itself.
A risk situation occurs when a choice is required between two or more alternatives whose potential outcomes are not known and must be subjectively evaluated. It involves potential success and potential loss.

Types of risks

1. Low risks, these are risk that yield low profits to the business. e.g. starting the same business
2. Moderate risks, these are risks that can be forecasted, calculated and managed by the entrepreneur
3. High risks, these are risks whose chances of happening are very high and yet the entrepreneur has very little control over them and their occurrence causes serious damage to the business.

Procedures for analyzing a risky situation

Most entrepreneurial traits are interrelated. Risk taking behaviour is related to creativity and innovation, and it is an essential part of turning ideas in reality for self confidence. Taking calculated risks is a skill and the entrepreneur uses the following procedures:

1. Assessing the risk**:** This is a situation where an entrepreneur is able to establish whether there is a potential risk or not in choosing a particular alternative or cause of action.
2. Determining the goals and objectives: The entrepreneur goals and objectives for risk taking must be consistent with the business interest in terms of risk management.
3. Surveying on various alternatives available: A survey is carried out to each alternative thought of and details should provided of each alternatives so that costs involved can be assessed in terms of the financial implication of the alternative to taken
4. Gathering information and weighing the alternatives**:** the information gathered is used to assess the various alternatives in terms of future demand, Competitive reactions and the effects of those reactions calculated.
5. Minimizing the risk: This is the step that involves realistic assessment of how best to minimize the risks while maximizing the benefits using one or more of the strategies such as using creativity ,entrepreneur`s ability among others.
6. Planning and implementing the best alternatives, once an alternative is selected, a plan is made for the implementation of the alternative this include preparing a timetable, defining clear goals and objectives and feedback plans etc so that changes can be made where possible.

Factors used when analyzing or assessing risks

1. The flexibility of the business
2. Availability of market for goods and services resulting from alternative taken
3. The pricing policy of the business
4. The experience of the business
5. Honestly or reliability of all the parties that the business deal with.
6. The profitability of the business idea.

Common examples of risks encountered by business

- Loss of goods in the transit.
- Accidents at work place.
- Theft of the goods and business property.
- Risk of decision making.
- Change of the consumer taste against enterprise` product,
- Fire out breaks.
- Embezzlement of business cash by workers.
- Bad debts.
- Breakdown of machinery.
- Natural disasters like rain.
- A fall in demand for enterprise products.

MEANING OF DELEGATION OF AUTHORITY

Delegation of authority is one vital organizational process. It is inevitable along with the expansion and growth of a business enterprise. *Delegation means assigning of certain responsibilities along with the necessary authority by a superior to his*

subordinate managers. Delegation does not mean surrender of authority by the higher level manager. It only means transfer of certain responsibilities to subordinates and giving them the necessary authority, which is necessary to discharge the responsibility properly. Delegation is quite common in all aspects of life including business.
in delegation, an attempt is being made to have meaningful participation and cooperation from the subordinates for achieving certain well-defined results. Due to delegation, the routine responsibilities of the superior are reduced. As a result, he concentrates on more urgent and important matters.

Secondly, due to delegation, subordinate becomes responsible for certain functions transferred to him. Delegation is a tool, which a superior manager uses for sharing his work with the subordinates and thereby raising his efficiency.

It's important to delegate duties so as to minimize the possibility of risk occurrences
Delegation involves the following three basic elements:

a. Assignment of duties to subordinates,
b. Granting of authority to enable the subordinates to perform the duties assigned, and
c. Creation of obligation on the part of subordinate to perform duties in an orderly manner.

Objectives of Delegation of Authority

1. To reduce the excessive burden on the superiors i.e., executives and managers functioning at different levels.
2. To provide opportunities of growth and self development to junior executives.
3. To create a team of experienced and matured managers for the Organization. It acts as a technique of management and human resource development.
4. To improve individual as well as overall efficiency of the Organization

Advantages / Importance of Delegation of Authority

1. Relieves manager for more challenging jobs: Delegation makes it possible for the managers to distribute their workload to others. Thus, managers are relieved of routine work and they can concentrate on higher functions of management like planning, organizing, controlling, etc.
2. Leads to motivation of subordinates: Subordinates are encouraged to give their best at work when they have authority with responsibility. They take more initiative and interest in the work and are also careful and cautious in their work.
3. Facilitates efficiency and quick actions: Delegation saves time enabling tile subordinates to deal with the problems promptly. They can take the decisions quickly within their authority. It is not necessary to go to the superiors for routine matters.
4. Improves employee morale: Delegation raises the morale of subordinates as they are given duties and supporting authority. They feel that they are responsible employees. The attitude and outlook of subordinates towards work assigned becomes more constructive.
5. Develops team spirit: Due to delegation, effective communication develops between the superiors and subordinates. The subordinates are answerable to superiors and the superiors are responsible for the performance of subordinates.

6. Maintains cordial relationships: The superiors trust subordinates and give them necessary authority. The subordinates accept their accountability and this develops cordial superior-subordinate relationships.
7. It acts as a training ground for management development. It gives opportunity to subordinates to learn, to grow and to develop new qualities and skills. It builds up a reservoir of executives, which can be used as and when required.

MANAGING RISKS IN BUSINESS

Risk management involves the various ways in which the business is able to prevent what may cause a potential loss. The ways include:

1. Employing experienced personal i.e. those that can predict a risky situation
2. Maintaining and upgrading technology so as to change with change in customer taste.
3. Extensive training of workers, more especially on risk causing factors this helps the enterprise to minimize risks.
4. Maintaining adequate security e.g. by employing security guards,
5. Installation of fire extinguishers,
6. Using strong pad locks, fences, strong doors etc.
7. Taking insurance policy to cover against various risks e.g. accidents, diseases, fire etc.
8. Acquiring emergency equipment e.g. standby generator
9. Putting switches in visible places etc.
10. Providing writing (warnings) to every corner of the enterprise e.g. along the walk ways, building

Question:

You are involved in a business that is dealing in producing and exporting of meat products and it has come to your notice that there is increasing loses in the business:

(a) Develop security guidelines to be observed by all workers in your enterprise.

(b) Develop safety guidelines to be followed drivers of the enterprise vehicles.

NB: When providing guidelines, one should maintain, or use simple tense or use the word shall.

PERRY BEAT PROCESSING IDNUSTRY
P.O. Box 78 KAMPALA
SECURITY GUIDELINES

1. All workers shall be trained on how to use fire extinguishers.
2. Every visitor shall be thoroughly checked at the entry by the company security personnel.
3. All workers shall arrive at 8.00 a.m. and departure is at 5:p.m. every day.
4. No worker shall be allowed to carry his or her bag beyond rest room etc.
5. All workers` activities shall be assigned by the supervisor and every worker is to report to his/her supervisor.
6. Workers shall be trained and retrained on security guidelines such as use of protective gears.
7. All workers shall wear business uniform that have their names and work title.

PERRY BEEF PROCESSING INDUSTRY
P.O. Box 78 KAMPALA
SAFETY GUIDELINES FOR DRIVERS

1. No company driver shall be allowed to drive company car under the influence of alcohol.
2. No driver shall be allowed to use a company car unless authorized by the person in charge of transport.
3. No driver shall be allowed to drive over the recommended speed limits.
4. Every driver shall be encouraged to use the seat belts whenever he/she is driving.
5. Before the company van is on the road, it shall first be serviced.
6. All company vehicles shall always be inspected from time to time to ensure that they are in good condition.
7. Every driver shall observe the road signs and instruction, whenever he/she is driving.

PERRY BEEF PROCESSING PROJECT
P.O. Box 622 KAMPALA
SAFETY GUIDELINES FOR BUSINESS FUNDS

1. Keeping money in the bank.
2. Keeping documents about the business ensuring proper security in the business.
3. Only authorized persons are allowed to use the business funds.

NEGOTIATION

Entrepreneurs negotiate so as to achieve what they want without fear of conflicts or misunderstanding. It is a peaceful way of accomplishing things without anyone being angry.

By definition negotiation is the process of bargaining that proceeds or results into an agreement.

Negotiation originated from a Latin expression negotiates which means to carry on with business. Therefore negotiation can also be defined as a process of discussion between two or more parties who seek to find a solution to a common problem i.e. one that meets their needs and interests.

The needs for negotiation

There are reasons to why individuals negotiate these include;

1. To reach an agreement i.e. normally people negotiate in order to reach conclusions and this helps to avoid bias.
2. To beat the opposition, when two parties negotiate there is always a winner who emerges the best.
3. To compromise, that is negotiation helps people to appreciate what the others party is up to.
4. To settle an agreement, i.e. one of the ways to help some understand is when the two parties negotiate and then they settle after agreeing by writing an agreement.

Principles of negotiation

Negotiation to be effective there must be guidelines that are acceptable by both parties. These include:

1. You don’t have to be right to settle in the process of negotiation, that is to say emotions arising from the feeling that one is right to have no space hence when either party wants to hear its right, obsessed with the principle then negotiation is likely to fail.
2. Look to the future, there is no need to base mainly on what took place in the past but looking for how the current issue can be settled.
3. Focus on the goal i.e. one should be very specific on what he/she wants by one asking him/herself what is the purpose of this negotiations.
4. Set the tone and look the part, i.e. therefore there is need for one to create interest in what the other party is presenting by being knowledgeable about the issue being discussed, maintaining eye contact and a good listener.
5. Be prepared and do your research, negotiation required a lot of knowledge and skills about what is being negotiated hence if one is not prepared for It, will cause the negotiation to delay which is not good.
6. Know what you want and what the other side wants before you go into negotiation, it is important to plan on what to give up and what not to give up.
7. Always have plan B, it is always important to have the second alternative so that negotiation becomes flexible and the goal counted is always achieved easily.

Skills necessary for effective negotiation

- Listening
- Writing
- Knowledge base
- Being a good communicator
- Controlling emotions
- Occasionally showing angel.

Factors that is necessary for the negotiation to succeed

1. Negotiation should come out with a coin -win situation i.e. no party should win of at the expense of the each other.
2. Both parties should feel satisfied with the results, the goal focused on by each party needs to be achieved after negotiation.
3. Upholding emotional/feeling i.e. when anger over rides a person in negotiation the goal may not be easily reached.
4. Negotiation should focus on solving the problem at hand i.e. whatever happened in the past should not surface while negotiating.
5. Using the negotiation styles of the other party to achieve positive outcome, negotiation styles need to be like that of the other party in the negotiation otherwise it may be difficult to achieve the desired goal.
6. Being flexible in demand i.e. some demands need to be given up for the sake of positive results otherwise negotiation may fail to achieve its intended goal.
7. Always being prepared to be compromised i.e. let not all the demands presented be achieved i.e. each party should be flexible in a manner that each party wins.
8. Always asking relevant question and quoting from relevant source of information.

Features of negotiation

- There must be a minimum of two parties.
- There must be pre-determined goals in the negotiation.
- There must be an outcome i.e. the results.

- Resolutions and consensus is reached is written down.
- The two parties must be willing to modify their positions.

Elements of negotiation

Negotiation has three basic elements:

The Process: This is the way in which individuals negotiate with each other. The process includes various techniques and strategies employed to negotiate in Oder to reach a solution.

Behaviour: This refers to how the two parties respond to each other during the process of negotiation i.e. the way e.g. interact with each other, the way they communicate with each other to make their points dear.

Subsistence: This refers to the gender on which individuals negotiate i.e. a topic for negotiation.

Stages involved in negotiation

For negotiation to be effective the following stages/steps are involved:

1. Preparation: Before negotiation takes place, a decision needs to be taken when and where a meeting is to take place to discuss the problem and who is to attend. It also involves setting a limit time so as to avoid disagreement.
2. Determination of the venue and inviting members for discussion: This is where individuals of each side are invited to the set venue. The purpose of this is to ensure that each member is reached and agreed upon the set venue.
3. Setting the objectives: The goals, interest and viewpoints of both sides are reconciled such that a dear substance (goal) is drawn. This helps to list what is to be discussed in the order of priority.
4. Real negotiation for a win-win outcome: This step focuses on situations of both parties, how they have to gain positively from the negotiation and always a win-win situation is the best outcome though it is not possible.
5. Writing an agreement: This is achieved once understandings of both sides view points and interest have been considered. It is essential to keep an open mind to achieve the solution as any agreement needs to be made perfectly dear so that both parties know what has been decided.
6. Implementing the course of action: putting what has been agreed into practice

Question:

You intend to open up a factory dealing in the processing of honey in which the demand is increasing;

(a) Prepare guidelines for maintain a good work place condition.

(b) Prepare guidelines for developing innovative abilities among workers.

(c) Explain the economic factor that may affect your business.

Solution:

PEPPAS HONEY PROCESSING INDUSTRY
P.O. Box 120, KAMPALA
Program for negotiation

Activity	**Person in charge**	**remarks**
Preparation for negotiation Deciding on the venue Inviting negotiators to the venue Setting objectives for negotiation Negotiation Writing agreements Implementing the resolution of the agreement	Entrepreneur	

Prepared by:signature…….name…….title…….

Approved by: signature…….name……title…….

NATURE OF NEGOTIATION

1. Negotiation is a balanced process i.e. both parties are on equal level in terms of information, facts and approach either party can go soft or tough.
2. Negotiation is not finite; moves can go in all direction. This means that there is no determined winning strategy especially when various elements of the situation are not known.
3. Both learners parties anticipates and react, during the process of negotiation resulting in double motivation, different behaviour could be presented in different situation hence an effective negotiation must be accommodative.

Challenges in Negotiation

1. Time pressure: Time may be limited to gather all details required for in order to have a balanced negotiation.
2. Influence of another decision maker: An entrepreneur may delegate another employee to negotiate on his or her behalf, this makes it difficult to achieve an agreement easily.
3. The delay tact: Boss always give excuses or keep one working for a long time such that a shorter discussion is realized and agreement is reached.
4. Last minute wavering: Towards completion of negotiation one party may bring a new point, forcing negotiator to change on allowed agreed position.
5. An earlier concession**:** Some negotiators show an earlier agreement and expect the other party to behave in the same way.

6. Aggressive behaviour**:** Such behaviour include bullying, du attempts to make sarcastic comments during negotiation which makes difficult to reach an agreement.
7. Negotiating the other party problem: Some negotiators have concern for only their problems therefore it requires understanding and addressing problems of the other party.
8. Letting positions over ride interests. Despite the clear advantage of reconciling deeper interest people have a built in bias towards focusing on their own positions instead this leads to a situation or pre-determined results.
9. The linking logic: This is based on the assumption that if a person is correct in one thing he/she must be correct in another. This therefore compromises the outcome of the negotiation.
10. Neglecting the other side's problem, negotiation can be effective when the two parties involved in the process don`t take into account of each other problem

Ways of overcoming challenges in negotiation

1. Undertaking training in negotiation skills before the negotiation
2. Selecting a team with knowledge of negation.
3. Currying out research on the matter that is to be discussed.
4. Setting clear negotiation goals.
5. Being flexible during negotiation to have win-win situation.

Personal attributes of good negotiators

1. Integrity, an honest negotiator builds mutual trust and cooperation.
2. Empathy, this is the ability to understand the other party`s point of view
3. Patience, this is the calm endurance of the prevailing state of affairs. This make
4. Self assurance, negotiators always have believe of reaching an agreement in whatever circumstance that prevail that is to say they have abilities
5. Self confidence, a feeling of being a better negotiator than any other person
6. Stamina
7. Tenacity
8. Ingenuity

Negotiating tactics with customers

Today entrepreneurs are faced with competition and therefore the need to create a good relationship with customers. This can be done through the following strategies or tactics:

1. Communicating frequently with customers, this is in relation to the company products, changes in the company activities etc.
2. Rewarding to loyal customers, this can be in form of reduced prices to the offer.
3. Holding special events, this includes making parties to customers so as to have free interaction with them.
4. Promoting a two way communication with customers, the helps the enterprise to retain its loyal customers and hence maintaining sales
5. Providing services that satisfy customers` needs, this makes the business to have room to negotiate with customers over the quality, quantity and price.
6. Launching multicultural programs, for example offering local language translators .this help to develop good relationship with minority groups.

7. Visiting customers, for businesses that deal in the provision of services and goods, it's important to go beyond the standard sales calls and offer the shelf marketing tools to build relationships with top customers.
8. Provide a variety of goods and services; this reduces the possibility of customer disappointments.

Negotiating with employees

The basic rules of the negotiation with employees include;

1. Balance both strength and weakness, i.e. a direct approach to employees is important
2. Listen actively to what employees have to say
3. Always have a fallback position when negotiating with employees over salary increase
4. Make concessions together
5. Take note of the employee expressions that is in terms facial expressions phrases being used etc.
6. Aim at creating win-win situation, this ensures that the two parties are satisfied with the outcome from the negotiation process.

Salary negotiation with employees

1. Set ceiling wage, this helps an enterprise to negotiate within the wage limit.
2. Set a floor, this refers to the lowest wage amount that an enterprise intend to spend to an employee
3. Determining the amount of wage either per hour or per day.
4. Making salary negotiation attractive, this is enhanced by designing benefit packages and allowances at a competitive market level.
5. Formulate employee contracts that are within the common employment laws of the country, this ensures that issues of taking the business to court is avoided
6. Keep employee needs in the minds before any compensation packages

BUSINESS ETHICS

Ethics are a set of moral principles which are recognized in respect to a particular class of human actions or group

Business ethics, these are virtues or values or norms that business should conduct themselves towards customers, employees, society, government and fellow business partners or competitors. They are those virtues that business peoples apply when making business decisions. These values guide members of the group to act in a manner that is consistent with the values and standards as established.

PRINCIPLES OF GOOD BUSINESS ETHICS

Ethical principles are the values that set the ground rules of all that we do. The ethical principles are

- Honesty. An entrepreneur should be open and freely share information. He shouldn't say thing that are false or deliberately mislead others.
- Promise keeping. One will not make promises that cannot be kept and will not make promises on behalf of the company unless he has the authority to do so.

- Fairness. An entrepreneur should create and follow a process and achieve outcomes that a reasonable person would just call. E.g. equal treatment of workers, like giving them a fair pay depending on stipulated conditions
- Respect for others. It's important for one to honour and value the abilities and contributions of others, embracing the responsibility and accountability for our action in the regard
- Compassion, one should maintain an awareness of the needs of others and act to meet those needs whenever possible. They should minimize harm in society
- Integrity, one will always live up to ethical principles, even when confronted by personal, professional and social risks as well as economic pressure, e.g. the hiking rate of inflation doesn't mean reducing worker's salaries or producing poor quality products.
- Cooperation or team work, an entrepreneur should be able to support acts of other business partners and work together to achieve the common goals of the industry e.g. during strike due to high taxes.

- Law abiding. Ethical entrepreneurs abide by laws, rules and regulations relating to their business activities.

- Commitment to excellence. Ethical entrepreneurs pursue excellence in performing their activities, are well informed and prepared, and constantly endeavor to increase their knowledge in all areas of responsibility.

- Reputation and morale. Ethical entrepreneurs seek to protect and build their businesses' good reputation and the morale of its employees by engaging in no conduct that might undermine respect and by taking whatever actions necessary to correct or prevent inappropriate conduct of others.

- Accountability**.** Ethical entrepreneurs acknowledge and accept personal accountability for the ethical quality of their decisions and omissions to themselves, their colleagues, their companies, and their communities.

PARTIES TO BUSINESS ETHICS

- The clients or customers who deal in the business
- Employees who are employed by the business
- Government of the country or authority in which the business activities take place
- Businesses which competes with the entrepreneur's business
- The society within which the business operate
- The suppliers of inputs

BUSINESS ETHICS TOWARDS CUSTOMERS

- Honesty. An entrepreneur is supposed to be honest to his/her customers, this will involve charging fair prices for the goods, good quality and affordable quantities etc
- Endeavour to seek and analyze the needs of customers and making sure that goods/services provided conform to those identified needs of customers
- Courtesy. This involves politeness, patience and sincerity when dealing with customers. An entrepreneur should always put his/her self in customer's shoes, for instance one is not supposed to sell underweight and expired goods to his customers
- An entrepreneur should ensure that the goods or services provided do not have any negative impact on the customers, for instance a professional doctor or nurse should not sell expired drugs to patients or his client since they will affect their lives instead of treating them
- Genuine to customers. An entrepreneur should be kind, cheerful and should always try to control his/her tempers when dealing with clients/ customers, should not use abusive language or shout at customers, he/she should instead try to make them understand what he/she needs in case of any discrepancy
- Provision of the required information to the clients or customers on the use of the products/services. Installation, maintenance and other likely impacts of using the product
- Responsibility. An entrepreneur should try to meet his obligations as agreed on , for instance he/she should fulfill his contractual obligations on agreed time, delivery on time and fulfill his/her part of the deal/bargain

BUSINESS ETHICS TOWARDS EMPLOYEES

In order for an entrepreneur to treat the employees in an ethical manner, the following should be highly observed

- Through giving them a fair pay. Payment to employees should be fair i.e. in relation to his value in business and amount of work done. One should also consider the seniority. Experience, responsibility etc of the employee when determining the payment
- Should provide clear and fair terms of employment e.g. employees should be given appointment letters stating whether they are employed on permanent, temporary or on a contract business. The salary or wage should be specified as well as duties and responsibilities
- Ensuring job security of an employee. As it is the right of an employee to know the terms of employment, for instance, it can be on a permanent basis, temporary or contractual form of employment which helps on employee to plan accordingly e.g. if it is a contract based, one should prepare to look for another job when the term of contract is ending

- Provision of good working conditions. Since employees spend most of their useful time at their work places, the work place should assure a healthy life during and after staying at the business, such conditions may include protective working clothes, helmets, gloves etc good transport, feeding, accommodation. Medical care and other allowances
- There should be constant arrangement for proper training and education of workers, this will improve on their skills in operating their business activities which improve performance
- Listening to employee's personal problems and complaints, through this, an entrepreneur can help in solving or assisting them where necessary through giving them affordable and relevant support to them
- Politeness i.e. workers should be treated in a polite way in all situations, this also involves those situations where employees go wrong, for instance let a single mistake made by an employee not make an entrepreneur forget the good things made / he has made
- Creating a room for creativity. Employees should be treated as human beings who have the right to think and act i.e. they should be given a chance to exercise activities, this may lead to improved services and productivity to the business
- Respect, the entrepreneur should respect the employees for the contribution they make to the business, for instance the entrepreneur should not publically abuse employees and the norms of the society of the area should be respected when handling employees
- proper recognition of hardworking employees, appreciation and encouragement of special skills to capabilities of workers, this increases their morale and devotions to their work in business

BUSINESS ETHICS TOWARDS THE SOCIETY

- Conserving the environment. The business should endeavor to take all the necessary steps needed to conserve the environment e.g. trying all the necessary ways of controlling pollution i.e. in air, water and swamps.
- The business should endeavor to protect people's health and lives during its operations like avoiding emitting poisonous and toxic substances, controlling machinery noise, explosion etc.
- A business should have strict considerations for the norms, for instance during business activities in what is acceptable to the culture or religious beliefs of the society like putting up a disco near a secondary school, selling pork in a Muslim community.

- A business is also expected to get involved and contribute to the needs of the society, like contributing to community health centres, community development like cleaning or road construction.
- A business is also expected to provide employment opportunities to the community members instead of giving them out to foreigners i.e. in case they fit in the existing opportunities in terms of qualification, experience and skills.

BUSINESS ETHICS TOWARDS GOVERNMENT

- Complying with the laws that govern the business like registration laws, licensing laws, labour laws, occupational hygiene
- Observing and setting the tax obligation as required by law, it is a must for entrepreneur to pay taxes and they should be paid on time and in full
- Businesses should follow the government policies in their operations like selling products that are acceptable by the government, should avoid engaging in illegal commodities like fire arms, expired commodities etc
- The business should meet the production standards in terms of quality, weights etc, dishonesty acts like charging the weighing scales in order to exploit consumers should be avoided
- The business should also comply with occupational hygiene, environmental regulations etc as prescribed by the central and local government

Business ethics towards suppliers

- ✓ Paying them promptly
- ✓ Offering them a fair price
- ✓ Attending to their complaints
- ✓ Respecting the terms and conditions of the transactions

Business ethics towards competitors

- ✓ Ensuring fair trading
- ✓ Anti-competitive policies
- ✓ Merging where possible
- ✓ Giving referrals in favour of competitors

IMPORTANCE OF BUSINESS ETHICS TO BUSINESS

- Helps the entrepreneur to be trustful by re-organizing that a customer is the king. This helps to maintain and attract new customers
- Enables business people to meet obligations of their customers and business partners regardless of anything else

- Increases business turn over engaging in fair trading activities like guaranteeing a safer place for your employees, fair pricing for your product guarantee a high business turn over
- Increases business profits when a business that practices business ethics towards its customers, its total sales increases as well as its profits. This facilitates business growth and expansion
- It leads to recognition from the society. Being ethical as a business person builds the image of reliability and establishes reputation with between business and its customers.
- **It leads to easy access to human resources through gaining good reputation which enables, it to get human** resources to work for it
- It leads to easy access to inputs like raw-materials. By practicing business ethics to society, the business earns a good reputation which enables it to get human resources to work for it.
- It enables the business to win government support. Honest business attract the government supports and sympathy in terms of needs

Developing a business code of conduct

All employees shall dress decently in…….

Arrival and departure time shall be……..

Workers shall keep company information secret.

All workers shall conduct themselves in a morally acceptable ways as described by the company code of conduct.

Workers shall not be allowed to engage in sexual harassment.

All workers shall handle business assets with care any loss arising from mishandling of the propriety, the person in charge is to pay for the damage.

Worker in a competing business shall not be recruit into the business work force not until they provide termination letter or any other inform that indicate that they are no longer employees of that business.

No worker shall be allowed o use any drug or intoxicating drink that may impair his or her sense of judgment while at work.

Workers shall not be allowed to use business name for personal activities that are not related to their work title.

Working days shall be……

Unethical behaviors practiced by entrepreneurs in Uganda

1. Selling to customers goods that have expired

2. Using wrong measurements
3. Abuse of customers in terms price negotiation
4. False declaration of business asset value
5. Using unqualified personnel
6. Paying workers low wages below government wage
7. Exploiting consumers by charging high prices
8. Evading taxes

Develop a code of conduct for restaurant waitress

COMMUNICATION SKILLS

Strong business communication skills are critical to the success of any organization despite its size, geographical location, and its mission. Business communication is intertwined with the internal culture and external image of any organization; it therefore determines what to communicate, by whom, and what level in an organization. Hence good communication practices assist the organization in achieving its objectives by informing, persuading and building good will within both the internal and external environment.

Communication refers to the process of conveying or transmitting a message from one person to another through a proper channel.

Or communication refers to giving and receiving information and feedback

Elements of communication

1. Sender, the process of communication begins with the person whom the message originates, who has an idea, purpose or information for communicating the idea is influenced by the;
   - Mood
   - Frame of reference
   - Background
   - Culture
   - And physical makeup of the sender
   - The situation influencing the communication etc
2. Encoding, after coming up the idea, the send converts the idea into words or gestures that will convey meaning. In selecting symbols, the sender must be alert to the receiver`s communication skills, attitude, background, experience and culture. Encoding result into a message which can be verbal or nonverbal this can be intended or unintended.
3. Medium, the send must appropriately select the means through which the message is to deliver. The channel that is to be used is influenced by;
   - The purpose of the communication
   - Ability of the encoder to effectively use the medium

- The effectiveness of the medium to deliver the message

4. Receiver, the receiver decode the message that is to say translating the message from its symbol form into meaning.
5. Feedback, this is response to the message. It tells the sender that the message has been received and understood and the purpose fulfilled, whether it is to persuade or informs or the good will reasons.

CHANNELS OF COMMUNICATION

Information in an enterprises flows through formal and informal communication.

FORMAL COMMUNICATION

It follows organization's hierarchy of command flowing in various directions for the purpose of effective delivery of the intended information. Official communication typically flows through formal channels in three directions that is:

- Downward
- Upward
- Horizontal

Down ward communication,

This is information and messages sent from top management to subordinates in an organization through established hierarchy. This is intended to direct the activities of employees, instruct them into behaviors and work methods, and persuade them to adopt certain ideas and attitudes.

Upward communication

This is the type of communication where information flows from subordinates to superiors and continues upwards the hierarchy. The purpose of upward communication is;

To provide management with feedback on production performance tasks.

To give marketing information in relation to consumer`s reactions about the new product if any,

For any upward communication to be effective there should be an environment in which the subordinates feel free of their freedom of communication or expression to their superiors.

Horizontal communication

This involves the flow and transmission of information among people with same or similar organizational level and diagonal flow with people at different levels who have no direct reporting relationship

INFORMAL COMMUNICATION,

these channels are usually based on social relationships in which individuals talk about work when they are having lunch, working out, sporting etc. this communication operate outside the formal organization`s hierarchy of authority

Principles of effective communication/ guidelines for effective communication

Like any other discipline, effective communication has certain principles which include

1. Clarity, the message conveyed must be organized, loud and clear leaving no room for any dough .it should have a well thought through introduction, detailed body and a smart conclusion.
2. Consistence, the sender should be consistent in the use of channel and the code through which he is communicating the message
3. Concreteness, it is advisable to organize the communication in logical manner and coherent
4. Courtesy, the communicator should not be rude, should communicate politely. The message should have a good tone able to maintain and build relationship
5. Consideration, plan carefully and try to understand the information needs of the recipient. Be empathetic of the recipient, this enables you understand the message.
6. Conciseness, effective communication should be brief and straight forward to the point. The sender must be clear and properly focused to the purpose of communication
7. Completeness, the message should have all the necessary information e.g. a notice for a meeting should have the date, day, time, venue and purpose of communication.
8. Interest and acceptance, the sender must ensure that adequate interest is generated among the recipient of the message and that they are ready to make repaly.
9. Environment, the sender should ensure that the recipient receive the message as required.
10. Distribution, the communication should be addressed to those who are supposed to have it. There should be a system to ensure that wrong people don’t access to the information
11. Simplicity of the language, the sender must keep his language as simple as possible keeping in mind the recipient standard of knowledge so that the message is clearly understood.
12. Timing, the message should be conveyed at a time when the receiver is able to listen and receive it.
13. Media, the sender must use a media that the target recipient uses.eg news papers when communicating to the elite of urban areas.
14. Controlling Emotions ,emotions play an important role in interpersonal relationships between the sender and the receiver

Importance of communication in a business

1. It’s used to pass on relevant information all the time to the concerned parties, e.g. increase in price of a consumer product.
2. It helps the entrepreneur to recruit and select workers. This is done by publishing the job advertisement and interest individuals apply.
3. It’s used to implement business policies. This is achieved by giving instructions to the subordinates, and their supervisors.
4. It helps entrepreneurs to negotiate with customers and suppliers. E.g. about contracts
5. It’s used in keeping good relationships with old customers and creating new ones. This is achieved by frequently communicating to customers.
6. It helps the entrepreneur to make decisions from an informed position e.g. written communication contain details of what has been agreed on.
7. It helps the entrepreneur to coordinate operations of the business executed by different departments.
8. It is used to make the general public to be informed about what the business offers. For example the nature of the new product to the general public.
9. It helps the government and other regulatory organizations to monitor, guide or direct business operations.
10. It provides a permanent point of reference for future business transactions.eg the written communication in form of minutes.
11. Its helps an entrepreneur to establish a business identity. e.g. through registering the business

Barriers to effective communication

1. Inconsistent in the communication, e.g. verbal languages and nonverbal expressions which contracts with voice tone, body language.
2. Time pressure, i.e. managers don’t enough time to communicate frequently with every subordinates
3. Language differences, this leads to misinterpretation of the message
4. Inadequate preparation for communication
5. Noise, this leads hearing of verbal form of communication.
6. Accent, this leads to distortion of meaning of a given communication form.
7. Obsolescence of information, if information is not acquired at the right time when needed, it may become irrelevant and unusable
8. The mood of the receiver, when the receiver is not interested in the communication hence giving low attention.
9. Use of inappropriate channels of communication, this may lead to miss the target group of the communication.
10. The message being incomplete,

TYPES OF COMMUNICATION

There are basically two forms of communication skills; however the third one has been added:

1. Oral communication
2. Written communication

3. Visual communication

Oral communication

This is the type of communication which is often used when bargaining, during interviews, training and meetings. It involves a discussion between customers, workers or suppliers. This method of communication tends to minimize chances of communication break downs, the receiver has a chance of immediate response and where necessary qualification is made.

Written communication

Writing is a presentation of letter, figure, words, phases, sentences, paragraphs etc. it involves thinking and determining of how the letters, figures or words are to be used to communicate the ideas to other people more meaningfully. Written communication takes the following forms:

- Business letter
- Memo
- Circular
- Reports
- Notices
- Bulletins
- Minutes

Advantages of written communication

- It provides a permanent record necessary for reference.
- It enables the communicator to develop an organized and well delivered message.
- It is a convenient form of communication.

Disadvantages of written communication

- It requires careful preparation and sensitivity to audience.
- Words spoken in the conversation may soon be forgotten but works recorded become a record.
- It's more difficult to prepare e.g. writing the minutes.
- They are more costly, this is in terms of time and money.
- There is less possibility of feedback more especially when the language used cannot be understood by the receiver.

NB: Written communication is both external and internal.

Visual Communication

This is a form of communication where the entrepreneur presents information using diagrams, pictures without necessary using words. These take the form of posters, graphs, pie charts etc. These are used to depict different situations in business such as business growth, trends, composition of sales, customer satisfaction, product performance etc.

Organizational Chart

Organization charts are used to show the organization structure of the business. It shows how different sections of the business or staff relate to each other or report to each other.

Uses of Organization Structure

- It provides information on who to report to.
- It is used during the process of introducing new workers into the organization.

- It is used to determine wages and salaries to different positions in an organization.
- It is used to determine duties, responsibilities of each position in an organization.
- It is used to determine the total number of workers needed in an enterprise i.e. administrators.
- It provides the above for determining the business expenditure on top management.

Draw organizational chart of your business

Photograph

These are used to illustrate given information so as to increase the reader's appreciation and understanding. Most business administrators use captive photographs to advertise their photographs.

Films or documentaries

These are used to provide information about the business operations. They are effective in delivering messages to the target groups. Documentaries however are used to enable the entrepreneurs to project a positive image and a peal to target customers and general public.

Posters and Wall Charts

These are used by an entrepreneur to present information about the business performance. they take the form of bar charts, line graphs or pie charts. They are used to illustrate information in a diagram form and help to make compulsion possible.

TECHNIQUES OF COMMUNICATING TO CUSTOMERS

a) How to present a product

When presenting a product to a customer, an entrepreneur should consider the following strategies:

- Ensuring that the sales person is smartly dressed, so as to deliver the present the products more easily.
- The target customers' needs must be analyzed in order to select the most appropriate way of representing the product.
- Starting the presentation of the products by first giving the outstanding features of the product, the benefit to the customers etc
- By keeping the customer privacy, convenience ability to use the products and others so as to plan how best to present the product.
- Giving samples of the products to customers so as to identify and get their input into productive development.
- Using relevant presentation aid, photographs, charts to back up the information about the product.
- Telling the truth about the products and during presented to potential customers.
- Giving a chance to potential customers to give their opinion about the product.
- Handling any doubts in the minds of the customers tactfully by trying to convince him or her.

Bargaining with customers

In bargaining with customers, an entrepreneur may undertake the following strategies:

1. Being a good communicator during the process of bargaining with customers like talking dearly, showing respect etc.
2. Avoid dominating the bargaining process, by allowing customers to also give their own views during the bargaining process.

3. Giving counter offers to customers e.g. reducing the price of the product so as to induce them to purchase.
4. Improving on the customer service, by having an effective customer service department to facilitate the bargaining with customers.

Strategies used to collect overdue debts

1. By identifying all the debtors' for a given period of time. This is done by analyzing accounts, books of business and listing them according to their debts amounts.
2. Arranging all debtors according to their audit period and assigning specific workers to each of them to help in the collection of debts.
3. Sending of polite debt reminder to all the debtors. These can be done through by calling them on phone or writing to them to remind them to clear their debts.
4. Collecting the debts from the different debtors who would have responded to the reminder.
5. Updating of the debtors records and issuing statements of account to each of them.
6. Sending strong rewarded lost date reminder to the date defaulters. This is done to ask them to pay their dates before the new deadline stated.
7. Taking legal action against defaulters who completely fail to settle their debts.

A DEBT RECOVERY PROGRAM

A practical situation

You are dealing in salad making business in which most of the products are sold on credit.

Prepare a debt recovery program

Peppa's salad and vegetable processing
P.O. Box 624 Kampala
Tel. 0704 411492

ONE MONTH DEBT RECOVERY PROGRAM (1 MONTH)

Date	**Activity**	**Person in charge**	**Remarks**
Fill	Identifying the debtors from the books of accounts of the business	Accountant	
Fill	Arranging all debtors according to their credit periods and assigning specific workers to each of them	Accountant	
	Sending of a polite date reminder to all the debtors	Accountant	
	Receiving debts from the different debtors	Accountant	
	Updating of debtors records and issuing statements of accounts to	Entrepreneur	

	each of them.		
	Sending strong rewarded last date reminders to the debt defaulters		
	Taking legal action against defaulters		

Prepared by:
……..
PEPPA PERRY
Sales manager

approved by
……
……
……..

STRATEGIES OR WAYS OF HANDLING DIFFERENT CUSTOMERS

There are very many ways of handling customers and they differ from organization to organization. However the procedure may remain the same as below:

1. Receiving and evaluating the difficult customer objections or complains to determine whether they are genuine or not and hence taking appropriate action to address the action.
2. Listening carefully to what the customer are saying, so as to make them have hope that his problem is to be addressed in the best way possible.
3. Learning to apologize to the different customers, i.e. after understanding the problem of the customers, it is necessary that the entrepreneur apologize where things would have not worked out.
4. Trying to convince customer s that the problem being experienced shall not occur again.
5. Replacing of the products sold to the customer in case the upset is due to receiving a damaged product.
6. Solving customers' problems as they arise immediately.

WRITING SKILLS

A business letter

A business letter is used to send information from the business organization to an individual or another business organization on specific areas of interest between the business and the address.

Contents of a business letter

A business letter must dear, complete timely and be able to promote the image of the business organization. Though varied, a business letter usually contains the following:

The letter head: A business organization usually has pre-designed and printed papers called letter heads, which show its name, address, telephone No. and the email address. The letter head may also have the organization vision, mission, bankers and any other information deemed necessary.

Business letters will be written on these letter heads instead of writing on a plain paper.

Reference: This is used to identify the subject matter and the recipient of the letter. Each business organization adopts unique and convinced reference system for its letters and documents. The reference can include the address. The subject matter and the dates for example L2/m/12/7/2016.
Date: All letters should have a date. For exam case, the date should that which one is setting for the paper
Inside Address: This shows the name and address of the person/organization the letter is addressed to each item should have a separate line.
Salutation: This is a general greeting used to commence the letter for example "Dear madam" is normally used if the letter is addressed to an organization and the addressee is known to be a lady a man. A personal name can also be used for example "Dear Perry" if the writer knows the addressee.
Subject heading: A subject heading gives a brief indication of the content of the letter using capital letter or bold print.
Body of the letter: The body of the letter communicates the intended communication to the addressee. Paragraphs are used to show different ideas in the letter.
Complimentary close: This is a general closing to the letter, it is common to end with "Yours Faithfully" If "Dear Sir/Madam" has been used "Yours Sincerely", "If dear and name of recipient have been used"
Signatory: All business letters should be signed.
Enclosures: If the letter has any other document enclosed, it should be stated by using the abbreviation "ENC"
Copy: A copy should be kept for the file, and others distributed to different officers who may need to know about the information communicated.

A FORMAT OF THE BUSINESS LETTER

Modern business organizations use blocked style where all parts of the business letter begin from the left margin as illustrated below:

JANITA AND DAUGHTERS LIMITED
P.O. Box 624, KAMPALA (U)
Tel. 0704 411492
Re: L1/P/12th/07/2016
12th July 2016
The marketing Officer
Musoke Farmers Ltd
P.O. Box 194
KAMPALA
Dear Sir,
SUBJECT: <u>GOODS SUPPLIED</u>

I wish to inform you that the bananas which you supplied to us on 8th July 2016 were poorly packed and as a result, most of the consignment got spoilt.
You will recall that we have in the past sent you communication on the same issue, a copy of which is here by endorsed for reference.
This is therefore to request you to maintain high packing standards so that we can receive quality bananas in good condition that will appeal to our customers.
Otherwise, we will be forced to review our business relationship with you.
Yours Faithfully,

……
PEPPA PERRY
PURCHASING OFFICER
Enc.

A MEMO

This is on internal communication, it is a written message used with the same organization.
In fill it is called Memorandum

Elements of a memo

From: This shows where the memo is coming from.
To: This shows where the memo is addressed.
Date: This shows the date in which the memo is written.
Reference: This shows the number which distinguishes the communication within the other.
Subject heading: This shows the main idea expressed in the memo.
Body: This shows the details of the content of the memo in a paragraph form

Practical situation

You are employed as a general manager of Elgon Fliers Bus Company to which many customers are complaining about the quality of the services.
Write a memo inviting the customer relation officer for a meeting.

ELGON FLIER BUS COMPANY
P.O. Box 256 MBALE (U)
Tel. 0774 918779 / 0777 756684
Ref:
Memo **Date: 13th July 2016**
From: General Manager
To: Customer Relation Officer
Subject: MEETING

I hereby invite you to attend an urgent meeting which is to take place on Sunday 14th July 2016 at the company reception hall starting at 2.00 p.m. the main aim for the meeting is to discuss the customers complains of the service. Here is a copy of the customers complain.
Please endeavor to attend.
Yours faithfully
…….
Name

NOTICES

This is a type of communication which is basically used to provide summarized information to the target audience. It can be for general meeting, giving alertness etc.

Practical situation

Your salad business had expanded and due to the increased number of customers, you have decided to shift your business to another place.
Write a note to your customers, notifying them about change in location.

MINUTES

These are used by entrepreneurs to keep brief records of resolutions of a meeting. This is used for future reference. Minutes should be organized and used for future reference and it's advisable that it must be written immediately after the meeting when the subject of discussion and conclusion is reached and still fresh in the writers mind.

Practical situation

You are the secretary of your school business club in which you have had a number of meetings, present minutes of the last meeting you had.

Elements of minutes

- The name of the business
- The venue where the meeting was held, time
- List of members that were absent with apology.
- List of members that were absent without apology.
- Contents of the minute which is written basing on the flow of agenda.

REPORTS

These are used by an entrepreneur to give conclusions and recommendations based on investigated facts and situations. A report must be accurate, clear, complete and logically arranged.

Examples of business reports include; Annual report which show the feelings of customers regarding a particular good or service.

Practical situation

In your new business club, you have been assigned a task of finding out the causes of customer complain about your business products. Write a report presenting your findings.

Elements of report writing:

- The name of the business.
- The topic of investigation.
- Objectives of carrying out the activity.
- The background on which you carried out the investigations.
- Your findings of the situations.
- Your recommendation about the situation.
- Your recommendation for further research.
- Conclusion.

ACTION OR CIRCULATION SLIPS

These are used by an entrepreneur to give information for actions or for noting by an officer who may also pass it onto another office.

Circulars are used when an entrepreneur wishes to give the same information to various persons i.e. one document is prepared and then duplicated to different persons e.g. circulars normally given to students at the end of every term.

LISTENING SKILLS

Listening is defined as the ability of an individual to interpreter and understands what is being communicated. It is more related to visual and oral communication. However the term is strictly tight to oral communication.

The process of listening:

This process has five stages – sensing, interpreting, evaluating, remembering and responding.

1. Sensing: this means to get in tune with the speaker, as we tune a radio the listener is prepared and knows that he has to listen.
2. Interpreting and evaluating: Listening is meaningful when a person converts the words coming to him into ideas. The ideas make sense or no sense. The listener keeps what is useful, separates what is useless, and keeps a note of what is unclear or incomplete.
3. Remembering, Listening serves a great purpose when creating mental pictures, for example when an address is being explained.
4. Responding: this means to act on the message received and to let the speaker know this. The listener may respond on the spot by making appropriate remarks: “I see,” or “Is it so?” or “Okay.” This reassures the speaker. The listener may ask questions to bring out the required information and complete the picture from his point of view.
5. Evaluation

Approaches to Listening:

Listening can be classified from a mere show-off to the wholehearted act:

1. Pretending to listen: here the listener faces the speaker, across the table or on the phone line, as long as he speaks and then switches off without registering the message. This is mere hearing and not listening.
2. Selective listening: This is when one edits the message as takable and not takable. In the case of an important message, selective listening leads to partial fulfillment of the instructions.
3. Superficial listening: This is where the listener takes in only the words but not the spirit of the message.
4. Emphatic listening: This term conveys full emphasis on the act of listening and taking in the entire message in word and spirit. The listener takes in the tone, the pauses, and the body language related to the words. Emphatic listening is necessary to move from one’s preconceived stand. The listener’s openness makes him ready to be influenced.
5. Dynamic (mutually creative) listening: Here, listening is a creative process in which the listener contributes to the meaning that is being conveyed. He adds his energy to that of the speaker to generate.
6. Intuitive listening: this means a direct insight into the truth. For an intuitive listener, a mere hint, an undertone or a silence is enough to read the other person’s mind. It is nurtured when one listens to high quality music or finds natural or meditative solitude.

Barriers to Effective Listening:

1. Poor hearing: If one’s sense of hearing is defective, listening is impaired.
2. Listener’s chain of thoughts: i.e. when the mind of listener is having own thoughts. These may become rapid and loud from time to time, marring one’s receptivity.
3. A too heavy message: Use of jargon or over compression of ideas may make an oral message too heavy for the listener.

4. Listener's self-importance or prejudice: i.e. when the listener has put himself above the speaker, there is no receptive attitude.
5. Misunderstanding about the role of a listener: Some listeners may not be aware of what their role in a particular situation is. They may think that it is the speaker's responsibility to explain everything properly.
6. Cultural gap: If the speaker and the listener have different cultural habits, the listening may be incomplete. The listener may assign different importance to a word or phrase than is meant. While Orientals are used to an elaborate style of addressing a gathering, westerners are often quite brief about it. But this can be distracting to an easterner.
7. Preoccupations: Some people listen while eating, drinking or doing handiwork. In such cases the attention is divided. A busy manager, for instance, may try to listen while filing papers or opening the mail. This affects listening.
8. Ego influence; if the receiver considers him superior and is not willing to listen, this ego problem acts as a stumbling block in the listening process.

How to develop entrepreneurial listening skills

Entrepreneurs are usually good communicators but they need to have the ability to listen. Most of us listen to only 25% of our ability while others may be even less than 25%. We normally listen to our close friends, teachers, family members and bosses. The following strategies can be used to develop effective listening:

1. Send signals to people through the eyes and body gestures so that they know one is listening.
2. Relax when communicating such that others will feel comfortable when adding their comments.
3. Slow down the minds when listening so that you are predicted by what people say.
4. Improve on the concentration.
5. Avoiding forming a reply before hearing what other persons say.
6. Do not be defensive about the individual point of view during communication.
7. Keep the voice soft rather than aggressive.

How to attend to the messages

The following is involved when an individual attends to the message:

- Making eye contact: Eye contact increases your chance of getting the message.
- When on phone, try not to look at things that will distract you from listening to and attending to the speaker.
- Your body posture, including slight leaning posture suggests that you are paying attention and helps you to stay tuned in.
- When on phone, try to position yourself so that you are comfortable but not relaxed that you lose the ability to attract the callers. Use vocal attending behaviors' "eh-huh", mm-hmmm"
- When interacting with the speaker in person face the speaker squarely and lean forward slightly towards the speaker to show that you are attentive.
- Verbal or non-verbal acknowledgement of the speaker helps to involve you in the communication process and lets the speaker know you are paying attention.
- When interacting with the speaker in person, use non verbal attending behavior such as nodding and facial expressions.

- Clear your mind, on thoughts to avoid mentally wandering and other destructing behaviors.

PERSONAL BRANDING

A brand can be defined as a name to which a set of associations and benefits that have become attached in the customers mind. The name could be of a product, service, a business entity or even an individual.

Personal branding therefore refers to a set of features that distinguish an individual (entrepreneur) to stand out of the crowd as being different.

American Marketing Association define a brand as a name, term, symbol or design or a combination of them which intended to identify the goods or service of one seller or group of sellers and to differentiate them from those of the competitors.

Branding refers to giving a product a name, symbol or design or combination of them to distinguish the goods or services from those of the competitors.

The main purpose of branding is to distinguish a good or service from those of competitors.

Importance of developing personal brand/advantages of personal branding

To the producer or manufacturer:

- A personal brand speaks volume about the business and thus helps to build a reputation for the business amongst the customers who use the goods and service.
- It is easy to advertise the product brand of a seller i.e. Makes it easy for the products to compete with already established brand in the market enabling the business to build brand loyalty amongst customers.
- A personal brand helps to add perceived value to the produce the seller is selling, and this can allow the business to sell at higher price to loyal customer.
- A personal brand helps to attract the right customer or loyal customers and opportunities, because it makes it easy to identify the products.
- A personal brand helps to associate the seller/producer with the product or service; this makes the seller continuously plan how to do better than the rivals.
- A personal brand enables the seller to position and focus the message in the minds of the target customers. This results into in continuous purchase.

Guidelines on personal Branding

Big companies understand the importance of branding today. In the age of the individual you have to be your own brand regardless of the age, position or the business you happen to be hence the following help one to create an effective personal brand:

- Specialization: A great personal brand must be precise, concentrated on single core strength or talents or achievements.
- Leadership: Personal brand must take lead and credibility that other people see and also influence.
- Personality: A great personal brand must be built on a foundation of the source`s of true personality and.
- Distinctiveness: An effective personal brand needs to be expressed in a way that is different from others. I.e. competitors

- Visibility: A personal brand must be seen over and over again until it imprints its self on the sub conscious mind. It must be seen by others in what one says, do and believe in
- Unity: The private person behind a personal brand must adhere to the moral and behavioral code set down by that brand. I.e. the private conduct must mirror the public demand.
- Persistence: developing a brand is not a one day issue. It takes time to grow and it is advertised through public relations.
- Good will: A personal brand always produce better results and stay for long once the person behind is perceived in a positive way.

Guidelines creating personal brand

1. Determine who you are: this is done by having a reflection on person`s habits talents and nature of tasks performed by an individual to identify personal brand one must be able to ask what to do to make me different.
2. Determine what you do: this involves writing down one's greatest ideas of interest and this reflects the kind of work one wants to do in life.
3. Position yourself by identifying the qualities that make the person different from others.
4. Manage your brand i.e. by marketing it correctly/properly.

Question:

1. What specific qualities and characteristics make you different even better than anyone else?
2. What is special about what you can offer?
3. What do you do that adds the remarkable distinguishable value?
4. What do you want to be famous for?
5. What have you accomplished that make you brag about?
6. How can you package yourself to stand out of the crowd?

End

SOCIAL ENTREPRENEURSHIP

Social entrepreneurship is the creation of innovative enterprise to make positive and sustainable impact on the society. Social entrepreneurship therefore offers a promising new way of contributing to solving the world's social and environmental issues. Its main focus is to foster the creation of sustainable enterprises that have positive and environmental impact.

A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create and manage a venture to make a social change. Social entrepreneurs are always willing to take on the risk and effort to create positive changes in society through their initiatives. They assess success in terms of social impact, making a social difference in society and also make the world a better place.

Social entrepreneurs are gaining international attention and are being recognized in countries across the world. They are motivated by the prospects of making a difference and creating a positive impact on society and the environment.

Types of social enterprises

Hybrid social enterprises: This is a social enterprise which mixes nonprofits and for profits strategies by selling some products for products and offers others without making profits.

Profit Social enterprise: This is a social enterprise that sells its products for profits but focuses on creating sustainable social impact.

Nonprofits Social enterprise: This is a social enterprise that does not make profits from its goods or services and heavily depends on donations for financing its activities.

Concepts in Social Entrepreneurship

1. **Positive:** This is the mission to which the enterprise is created for i.e. to have meaningful change in the society.
2. **Innovative:** It is an innovative enterprise that accomplishes its mission in a new and better way.
3. **Impacts:** These are the results that are created by the social enterprise.
4. **Sustainable:** This is the creation of enterprise that can last for long due to its activities in the society.
5. **Empowerment:** This is the ability to increase ones strength and capacity to do something.

Compulsions between social enterprises, business and charity organizations

1. **End goal:** For the business enterprises, the main aim in production is profit maximization, for social enterprise, the main goal is to create a sustainable impact on society and make the world a better place. However for charity organizations, their act is always kindness and good will.
2. **Time frame:** For a business organization, their results are achieved immediately e.g. increasing profits by 5% every year. However for social enterprises, they achieve their results after a long period of time.

3. **Types of enterprises:** For business is purely for profit enterprises while social enterprise are either for profits or nonprofits or hybrid enterprises.
4. **Rewards:** For business enterprises, the main reward is profits or money returns for private investor which motivates them to undertake more risks. However for social enterprises, the reward is to have a better community i.e. it is social and environmental benefits for communities.
5. **Target markets:** For business, the target market is for potential customers described in terms of men, women, children, elder, those who are in working class etc. while social enterprises, the target market is the disadvantaged, vulnerable and underserved communities.
6. **Customer orientation:** For business enterprises, customers expect to get superior services that meet their need and also the worthy money spent on the goods and services. However, for social entrepreneurs its focus is of empowerment for partnership in development such that each member becomes part of the program or enterprise.
7. **Impact area:** For business enterprise, the impact is to create customer satisfaction through providing new products and services. However for social enterprises the impact area is social, environmental and economic outcome of the whole community.
8. **Perceptions of value,** for the business enterprises, value lies in the profit the entrepreneur and investors expect to reap as the product establishes itself in a market that can afford to purchase it and business entrepreneurs are accountable to share holders and other investors for generating these profits on the other hand social entrepreneurs lies in the social benefits to a community or transformation of a community that lacks the resources to fulfill its own needs.
   Traditionally, charity workers who viewed people as beneficiaries instead of people who have the power to have an impact therefore social enterprises view people as partners because they work to use the power and potential of the people they work with to make sustainable impact.

Importance of Social Entrepreneurship

1. Social enterprises create social impact on the society and the environment, this is achieved by addressing the root causes instead of creating short terms solution.
2. Social enterprises are leaders in innovation; they therefore have wide spreading effects on the way we live and work.
3. Social enterprises are transformative forces; they have new ideas to address major problems that affect individuals and the society.
4. Social enterprises train the society members and equip them with business skills, this helps such individuals to transform and empower the societies where they live.
5. They provide employment opportunities, like any other business enterprise employ people in various departments and fields they are engaged in. this improves on the lives of people.
6. They contribute to the infrastructural development i.e. roads through empowering the community to be good advocators.

Social Entrepreneurship and Sustainable Development

Sustainability is the ability of something to renew its own resources or maintain its impact. It comes from the word sustain which means to survive or continue e.g. a social enterprise gives a pregnant animal to one needy family. It reproduces and one of the off spring is given back to the enterprise so as an animal can be given to another family. Therefore sustainable development is defined as that development which meets the current needs of the society without harming the ability of the future generations to meet their own needs.

Areas under sustainable development include economic development which refers to the sustained increase in the quality of goods and services produced by entrepreneurs in a country or in an area. It is manifested in terms of improved use of raw materials, quality improvement among others.

Social development

This refers to the increase sustain growth in the quality of population and social services that meets the society needs.

Environmental development

This refers to the sustainable persistent increase in the available resources while minding about the future. It takes the form of environmental awareness, increased replanting of trees and sustaining the program.

Cultural development

This refers to the sustainable development of cultural values in terms of norms/behavior/value that form part of the future generation.

Therefore such developments have an impact on the future generation. Term impact means what is done or the action which is taken and sustainable development has the following impact:

- Increasable development on education.
- Sustainable income.
- Improved environmental resource use.
- Increasing training and access to better reading materials.
- Reduced dangers of diseases.
- Improved living standards.
- Increased life expectations.

Characteristics of Social Entrepreneurs

These are a feature that distinguishes social entrepreneurs from any other person. The attributes include:

1. **Personal leadership** – Social entrepreneurs lead by example, they have an ability to influence others and they are responsible for their action.
2. **Ethical** – Social entrepreneurs are ethical centered because they make decisions according to their values but what others think. Principles are basic and timeless rules and values that individuals use to make decisions.
3. **Goal oriented** – Social entrepreneurs start with a positive vision and then set of a attainable goals to reach the set vision.
4. **Goal listener** – Social entrepreneurs listen to people’s ideas and comments in order to learn their mistakes hence acting on comments to improve their performance.

5. **They are risk takers** – Social entrepreneurs take moderate risks that have a reasonable chance of success. They try to reduce risks by involving many other people (community members).
6. **Empowering** – Social entrepreneurs believe in and use the potential of the people they help. This helps them to learn as to get experience.
7. **They are advocators** – Social entrepreneurs speak up and take action for what they believe is right even if there is opposition.
8. **They are optimistic and flexible** – Social entrepreneurs, despite the challenges they face, they are always positive and determined to succeed whatever the situation would be.
9. **They are extra ordinary persistent** i.e. irrespective of the resources under their disposal being not sufficient; they try their best to succeed.
10. They are creative, they are creative enough to have a vision of what they want to happened and how the vision is to be achieved

ADVOCACY SKILLS

Advocacy is the verbal, written or symbolic action to promote a mission or a cause. Social entrepreneurs are skilled advocates of their vision and social innovation. They aim to maximize the positive impact of their work.

Advocacy is about speaking and writing to others to spread ideas, innovative strategies and recruit support.

The GEPIC structure for Advocacy

The Gepic structure for advocacy is a statement that involves a presentation of problem or solution in the most interesting way. It provides brief and inspiring facts to the public and audience. It is structured as follows:

G – Greeks

This includes recognizing the people present and self-introduction and greeting.

E – Engage

This is more concerned with drawing the attention of the audience using relevant story quotes or statistics or shocking facts to capture the attention of the audience and make the speech interesting.

P – Problem statement

This shows the magnitude of the problem and how it is affecting the community showing facts clearly without personal option e.g. disease outbreak such as cholera, global warming, soil degradation etc.

I – Inform

This provides the explanation of the purpose of the project of innovation and what is being done or to be done to solve the problem.

C – Call for action

Challenging the audience or community members to support the project, e.g. by using dustbins appropriately, collecting rubbish, attending sensitization workshops, sensitizing people at home or the community.

SAMPLE of GEPIC STRUCTURE

STEPS TO BECOME A SOCIAL ENTREPRENEUR

Being a social entrepreneur is rewarding like any other business, there are steps that are followed:

1. Developing the vision or identifying the skill one is good at.
2. Identifying business opportunities that are available in the community, this would be a solution to solving problems in the community or improving people's welfare e.g. waste management, environmental conservation, hair dressing etc.
3. Matching the vision and the opportunity available in the community, this is done through carrying out market research in order to get more information about the opportunity.
4. Acting and spreading change, this is done through preparing the social enterprise plan, which is a description of the introduction, theory of a change, the vision statement etc.
5. Mobilizing the necessary resources which are needed for the establishment of the social enterprise, these resources may include capital in form of money, skills, technology, land and also time.
6. Completing all the necessary recommencement legal formalities, these include registering the social enterprise, purchasing land, accessing the environmental assessment report etc.
7. Constructing all the needed buildings and other structures,
8. Purchasing and installing the necessary machinery, equipment, furniture and other materials.
9. Recruiting of all the needed labour and training it.
10. Launching the social entrepreneur plan,

PRACTICAL SITUATION

You have decided to start a project or a business dealing in waste management as a social entrepreneur.
Development a program for becoming a social entrepreneur.
Present a Gepic structure for advocacy.

DEVELOPING GOALS AND ACTION STATE

Business goals refers to the medium and long term targets a business wants to achieve within a stated period of time based on the mission statement.
Goals should have the following characteristic:

- Specific in nature
- Measureable
- Time bound
- Challenging
- Inspiring
- Achievable

Business goal start with the "To" and they are written. In adore quotation marks.
To provide customers with a high quality fruit through using the best production.

Business Vision Statement

This is a statement giving a long te target where the business wants to be in future. A business normally has only one vision statement which provides the direction to the activities in a business.

Uses of Business Vision Statement

- It is used to determine the mission statement of the business.
- It is used in determining the nature to be employed.
- It helps in drawing the strategic plan of the business.

MISSION STATEMENT

Is a brief statement that gives the overall purpose of the business, its products, its values, its sales to the public.

A good mission statement should have the following:

Specifying the products to be sold or the customer's needs to be made.

Sustaining how the business would satisfy the customer's needs.

NB: A mission statement is always written in closed quotation marks starting with the word "To" e.g. to provide and sell high quality poultry products through practicing modern farming methods so as to satisfy the needs of the customers effectively.

Good action steps in any project or business should provide the following:

- Produce a clear impact.
- Have a clear start and end time.
- Measure the results.
- Set your goals in a logical order.
- Provide ways of achieving your goals.

OBJECTIVES

These are specific short termed target that a business strives to achieve within a short time.

Examples of business objectives include:

- To increase profits by 5% in a period of 6 months.
- To increase the sales volume by 5% in a period of one year.
- To increase production by 2% in a period of 6 month.

SOCIAL ENTERPRISE PLAN

COMMUNITY RESOURCES

These are resources that are collectively controlled by the community e.g. community land, structures like schools, physical space e.g. town buildings, playing grounds etc.

Community institutions like library, local police, universities etc.

Nongovernmental organizations, these include cultural groups, elderly groups, faith based groups, churches, mosques, social groups.

These social community resources provide opportunities for members in the community to use them for the benefit of the community at large.

THREATS TO COMMUNITY DEVELOPMENT

1. Poverty: This is brought about by individuals living in the community failing to access the basics of life. These breeds social behaviors like theft, murder, child abuse, home domestic violence.

2. Discrimination is the major cause to community development, because it prevents the entire community from developing by excluding certain groups or individuals i.e. the excluded groups do not have the same wealth, privileges, rights compared to others. They become the worst vulnerable.
3. Ignorance: This is the lack of information or knowledge, this creates different groups in the society i.e. those who have and information therefore, individuals in the community become powerless.
4. Dependency: This is a state of needing to rely on somebody or something for help or support especially financial support. This is caused by inequality in the society i.e. those who have and those who don't they don't depend on those who have.
5. Dishonesty: This is a serious threat to community development because it is the basis of exploitation where some individuals take unfair advantage to misuse those who don't have. This brings corruption.
6. Lack of basic natural resources; these include lack of minerals, poor soils which cannot withstand bad conditions such areas do not have access to basic needs like good shelters, good roads, safe waters etc.
7. Lack of role models and mentors: This is a threat to community development because individuals may not have people that they admire and also get inspired to develop as an individual and a community as a whole.

STRATEGIES FOR SOCIAL ENTERPRISES

There are a number of ways in which the community can be positively impacted. The following are the most common strategies for community development that are used by social entrepreneurs around the world.

1. **Increasing access to goods and services,** these include food, health, housing, safety, waste management and education. This strategy of increasing goods and services involves allowing more people access to what is available to others.
2. **Increasing knowledge through education and awareness**, knowledge is power. Without education and awareness, people are left behind, taken advantage of or ill prepared to live in and understand the dangers and opportunities of their environment.
3. **Increasing opportunities for the disadvantaged**: As communities develop, more opportunities are created and if this opportunities are not available to certain groups, the results inequality, social tension and poverty.
4. **Increasing advocacy for the disadvantaged group:** This involves the social entrepreneurs urging government to provide support in form of donations, grants such that services are extended to communities that are disadvantaged.
5. **Training community members to be part of a social enterprise**, this is where community members are encouraged to make contributions as membership and at the same time purchase goods or services at relatively low costs as enterprise provide opportunities for markets for community products and services.

Profits making strategies and their effects

1. Income generating activities: For non-profit enterprise, income generating activities include selling a product or producing their own resources.

2. Starting agricultural enterprises that produce output, and sold at a profit to the community.
3. Charging a fee for use of the enterprise`s assets to community members.
4. Training communities at a cost to the community members.
5. Charging membership fee.
6. Producing and selling publications to the public.
7. Charging a fee for any service consulted to.
8. Organizing fundraising functions to rise funds so as to be invested in income producing activities.

NB: The income generating activities can be related or unrelated.

Ownership and organization: A social enterprise has different ways to structure and use its resources.

Ownership and organization

Community There is limit to how much one person can manage the more the community is involved	Commission (Workers are paid a percentage profit)	Delivery (Selling part of the product cheaper and the part must replace as more expensive as more expensive as sold to the other

SUSTAINABILITY

Sustainability is a wide concept that can be applied in many different ways:

1. Financial sustainability: This refers to the ability of enterprise to finance itself now and for the future.
2. Resource sustainability: This refers to the ability of resources to renew themselves.
3. Impact sustainability: This refers to the ability of the impact to continue and be long lasting without putting in more efforts or resources.

Therefore financial sustainability of an enterprise means that the social entrepreneur is able to meet the current needs of the enterprise and that of the future hence the roles include:

- It enhances further investment of the social enterprise.
- It provides the means of income to sustain the stakeholders of the enterprise.
- It leads to sustain employment creation. This increases income for those that are employed.
- It leads to sustainable profits for the social enterprise. This helps such an enterprise to continue impacting the disadvantaged groups.
- It helps in training of members of the community. This leads to sustainable positive impact in the community.
- It helps the social enterprises to achieve the overall aims of creating a sustainable positive impact in the society. This reduces threats like poverty discrimination.
- It facilitates sustainable helping of the disadvantaged groups, this may be in form of providing increased access to goods and services, increased access to education etc.